

MONTANA LEGISLATIVE HISTORY

Nov. Spec. Sess.

Chapter 27 19 93

Bill H 50 S _____ Original bill & history ☒ c

H. Committee on Appropriations

Hearing Date(s) Dec 06 ☒ c

_____ ☐ c

_____ ☐ c

_____ ☐ c

Date Out Dec 06 ☒ c

S. Committee on Taxation

Hearing Date(s) Dec 15 ☒ c

Dec 17 ☒ c

_____ ☐ c

_____ ☐ c

Dec 17 ☒ c

Did this bill originate in an interim committee? ☐ Yes ☐ No

Committee _____

Report _____

UNDER CERTAIN CONDITIONS, A PORTION OF THE INCREASE IN THE
MARKET VALUE OF AN OWNER-OCCUPIED RESIDENCE

12/01 INTRODUCED
12/01 REFERRED TO TAXATION
12/01 FIRST READING
12/01 FISCAL NOTE REQUESTED
12/07 HEARING
12/07 FISCAL NOTE RECEIVED
12/07 FISCAL NOTE PRINTED
12/14 TABLED IN COMMITTEE

HB 48

INTRODUCED BY R. JOHNSON

PROVIDE THAT THE DEPARTMENT OF ADMINISTRATION MAY
TEMPORARILY BORROW UP TO \$20 MILLION FROM THE COAL
SEVERANCE TAX TRUST FUND TO COVER CASH FLOW NEEDS OF THE
GENERAL FUND

BY REQUEST OF DEPARTMENT OF ADMINISTRATION

12/01 INTRODUCED
12/01 REFERRED TO APPROPRIATIONS
12/01 FIRST READING
12/01 FISCAL NOTE REQUESTED
12/02 HEARING
12/02 FISCAL NOTE RECEIVED
12/02 FISCAL NOTE PRINTED
12/03 COMMITTEE REPORT—BILL PASSED AS AMENDED
DIED IN PROCESS

HB 49

INTRODUCED BY S. RICE, ET AL.

COMBINE THE FUNCTIONS AND OPERATIONS OF THE DEPARTMENT OF
AGRICULTURE AND THE DEPARTMENT OF LIVESTOCK INTO A SINGLE
DEPARTMENT

12/02 INTRODUCED
12/02 REFERRED TO STATE ADMINISTRATION
12/02 FIRST READING
12/02 FISCAL NOTE REQUESTED
12/06 FISCAL NOTE RECEIVED
12/06 FISCAL NOTE PRINTED
12/06 HEARING
12/08 TABLED IN COMMITTEE

HB 50

INTRODUCED BY SWANSON

BY REQUEST OF DEPARTMENT OF REVENUE AND OFFICE OF BUDGET &
PROGRAM PLANNING

RESTRUCTURE THE PROPERTY VALUATION AND ASSESSMENT
FUNCTIONS OF THE DEPARTMENT OF REVENUE; GENERALLY REVISE
PROPERTY TAX ASSESSMENT AND LEVY PROCEDURES TO CONFORM
WITH PRACTICE AND ADVANCED TECHNOLOGY FOR ASSESSMENT,
COMPUTATION, AND LEVY OF PROPERTY TAXES

12/02 INTRODUCED
12/02 REFERRED TO APPROPRIATIONS
12/02 FIRST READING
12/02 FISCAL NOTE REQUESTED
12/06 HEARING
12/06 FISCAL NOTE RECEIVED
12/06 FISCAL NOTE PRINTED
12/10 COMMITTEE REPORT—BILL PASSED AS AMENDED
12/11 2ND READING PASSED AS AMENDED
12/11 3RD READING PASSED

53 43
52 44

	TRANSMITTED TO SENATE		
12/13	FIRST READING		
12/13	REFERRED TO TAXATION		
12/15	HEARING		
12/17	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
12/17	2ND READING CONCURRED	25	24
12/17	3RD READING CONCURRED	27	22
	RETURNED TO HOUSE WITH AMENDMENTS		
12/18	2ND READING AMENDMENTS CONCURRED	78	17
12/18	3RD READING AMENDMENTS CONCURRED	73	23
12/18	SIGNED BY SPEAKER		
12/22	SIGNED BY PRESIDENT		
12/27	TRANSMITTED TO GOVERNOR		
12/27	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 27		
	EFFECTIVE DATE: 12/27/93—SECTIONS 127, 158-164, & 168-173		
	EFFECTIVE DATE: 01/01/94—SECTIONS 1-126, 128-157, & 165-167		

HB 51 INTRODUCED BY RANEY, ET AL.

PROPOSED CONSTITUTIONAL AMENDMENT TO ESTABLISH ACQUISITION COST AS THE BASIS FOR DETERMINING THE TAXABLE VALUATION OF RESIDENTIAL PROPERTY FOR PROPERTY TAX PURPOSES

12/02	INTRODUCED
12/02	REFERRED TO TAXATION
12/02	FIRST READING
12/08	HEARING
12/10	TABLED IN COMMITTEE

HB 52 INTRODUCED BY RANEY

EXTEND THE APPEAL TIME FOR APPRAISALS TO 60 DAYS AFTER THE PROPERTY TAX NOTICE IS RECEIVED FROM 15 DAYS AFTER THE NOTICE OF APPRAISAL IS RECEIVED

12/02	INTRODUCED
12/02	REFERRED TO TAXATION
12/02	FIRST READING
12/02	FISCAL NOTE REQUESTED
12/07	FISCAL NOTE RECEIVED
12/07	FISCAL NOTE PRINTED
12/08	HEARING
	DIED IN COMMITTEE

HB 53 INTRODUCED BY RANEY

REQUIRE THE DIRECTOR OF REVENUE TO REPORT TO THE 54TH LEGISLATURE REGARDING NONPRODUCTIVE LAND OWNED BY NONRESIDENTS WHO DO NOT PAY EITHER MONTANA INCOME OR CORPORATE LICENSE TAXES

12/02	INTRODUCED
12/02	REFERRED TO TAXATION
12/02	FIRST READING
12/02	FISCAL NOTE REQUESTED
12/08	HEARING
12/09	FISCAL NOTE RECEIVED
12/09	FISCAL NOTE PRINTED
12/10	TABLED IN COMMITTEE

HOUSE BILL NO. 50

INTRODUCED BY SWANSON
BY REQUEST OF THE DEPARTMENT OF REVENUE AND
THE OFFICE OF BUDGET AND PROGRAM PLANNING

IN THE HOUSE

DECEMBER 2, 1993 INTRODUCED AND REFERRED TO COMMITTEE
ON APPROPRIATIONS.

 FIRST READING.

DECEMBER 10, 1993 COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

 PRINTING REPORT.

DECEMBER 11, 1993 SECOND READING, DO PASS AS AMENDED.

 ENGROSSING REPORT.

 THIRD READING, PASSED.
AYES, 52; NOES, 44.

 TRANSMITTED TO SENATE.

IN THE SENATE

DECEMBER 13, 1993 INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

 FIRST READING.

DECEMBER 17, 1993 COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

 SECOND READING, CONCURRED IN
AS AMENDED.

 THIRD READING, CONCURRED IN.
AYES, 27; NOES, 22.

 RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

DECEMBER 18, 1993 RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS
CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

53rd Legislature
Special Session 11/93

LC 0107/01

LC 0107/01

1 House BILL NO. 50
2 INTRODUCED BY Swanson
3 BY REQUEST OF THE DEPARTMENT OF REVENUE AND
4 THE OFFICE OF BUDGET AND PROGRAM PLANNING
5
6 A BILL FOR AN ACT ENTITLED: "AN ACT RESTRUCTURING THE
7 PROPERTY VALUATION AND ASSESSMENT FUNCTIONS OF THE
8 DEPARTMENT OF REVENUE; GENERALLY REVISING PROPERTY TAX
9 ASSESSMENT AND LEVY PROCEDURES TO CONFORM WITH PRACTICE AND
10 ADVANCED TECHNOLOGY FOR ASSESSMENT, COMPUTATION, AND LEVY OF
11 PROPERTY TAXES; MAKING THE DEPARTMENT OF REVENUE RESPONSIBLE
12 FOR ASSESSMENT, COMPUTATION, AND LEVY OF CERTAIN TAXES;
13 ELIMINATING THE STATUTORY DUTIES OF COUNTY ASSESSORS;
14 ESTABLISHING A SPECIAL PROPERTY VALUATION IMPROVEMENT FUND;
15 ASSESSING LIVESTOCK AS OF JANUARY 1; CLARIFYING THE
16 ELIGIBILITY OF COUNTY ASSESSORS AND DEPUTY ASSESSORS FOR THE
17 RETIREMENT INCENTIVE PROGRAM; REQUIRING THE DEPARTMENT OF
18 REVENUE TO PAY RETIREMENT INCENTIVE COSTS FOR COUNTY
19 ASSESSORS AND DEPUTY ASSESSORS; PERMITTING COUNTY ASSESSORS
20 TO BECOME EMPLOYEES OF THE DEPARTMENT OF REVENUE; CREATING
21 AN ADVISORY COMMITTEE ON THE VALUATION AND TAXATION OF MOTOR
22 VEHICLES AND MOBILE HOMES; REDUCING THE FISCAL 1995 GENERAL
23 FUND APPROPRIATION TO THE DEPARTMENT OF REVENUE;
24 APPROPRIATING FUNDS FROM THE PROPERTY VALUATION IMPROVEMENT
25 FUND TO THE DEPARTMENT OF REVENUE; AMENDING SECTIONS

1 2-6-110, 5-18-115, 7-3-1301, 7-3-1309, 7-3-4252, 7-4-2401,
2 7-4-2505, 7-4-3007, 7-6-4409, 7-6-4410, 7-6-4412, 7-6-4413,
3 7-8-2513, 7-12-4181, 7-12-4184, 7-13-233, 7-13-2304,
4 7-13-2306, 7-13-2527, 7-13-2528, 7-13-4309, 7-13-4507,
5 7-14-2735, 7-14-2738, 7-14-2739, 7-14-2740, 7-14-2742,
6 7-14-2743, 7-14-2744, 7-14-2745, 7-14-2755, 15-1-101,
7 15-1-111, 15-1-201, 15-1-202, 15-1-205, 15-1-303, 15-6-207,
8 15-7-102, 15-7-106, 15-7-107, 15-7-208, 15-7-209, 15-7-304,
9 15-7-308, 15-7-402, 15-7-403, 15-8-102, 15-8-104, 15-8-105,
10 15-8-106, 15-8-111, 15-8-112, 15-8-113, 15-8-115, 15-8-201,
11 15-8-202, 15-8-205, 15-8-301, 15-8-303, 15-8-304, 15-8-307,
12 15-8-402, 15-8-601, 15-8-701, 15-8-702, 15-8-704, 15-8-707,
13 15-8-709, 15-8-710, 15-9-101, 15-9-103, 15-10-202,
14 15-10-203, 15-10-205, 15-10-206, 15-10-305, 15-15-101,
15 15-15-102, 15-15-103, 15-16-101, 15-16-104, 15-16-105,
16 15-16-115, 15-16-117, 15-16-203, 15-16-302, 15-16-305,
17 15-16-402, 15-16-504, 15-16-611, 15-17-124, 15-17-317,
18 15-17-911, 15-18-412, 15-23-104, 15-23-106, 15-23-107,
19 15-23-115, 15-23-507, 15-23-607, 15-23-702, 15-23-703,
20 15-23-704, 15-23-803, 15-23-804, 15-24-104, 15-24-302,
21 15-24-801, 15-24-901, 15-24-902, 15-24-903, 15-24-904,
22 15-24-905, 15-24-906, 15-24-920, 15-24-921, 15-24-1402,
23 15-24-1501, 15-24-1802, 15-24-1902, 15-24-2002, 15-24-2302,
24 15-36-104, 15-37-203, 15-51-104, 15-59-104, 15-59-203,
25 19-3-908, 20-9-122, 50-61-112, 61-3-207, 61-3-303, 61-3-345,

61-3-503, 61-12-402, 70-23-304, 70-23-305, 76-2-102,
 76-13-207, 76-15-518, 77-1-501, 77-1-503, 77-1-504,
 77-2-313, 80-2-203, 80-2-204, 80-2-206, 80-2-207, 80-2-225,
 81-2-302, 81-4-511, 81-4-513, 81-4-516, 81-7-303, 85-7-2136,
 85-8-601, AND 85-9-603, MCA; AND SECTION 15, CHAPTER 623,
 LAWS OF 1993; REPEALING SECTIONS 7-2-2753, 7-6-2540,
 15-1-403, 15-1-506, 15-7-213, 15-8-103, 15-8-105, 15-8-106,
 15-8-114, 15-8-302, 15-8-705, 15-8-706, 15-9-102, 15-10-301,
 15-10-302, 15-10-303, 15-10-304, 15-10-306, 15-10-307,
 15-10-308, 15-16-111, 15-16-112, 15-16-113, 15-16-114, AND
 15-30-228, MCA; AND PROVIDING EFFECTIVE DATES AND
 APPLICABILITY DATES."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-6-110, MCA, is amended to read:

"2-6-110. Electronic information -- public access. (1)

Except as provided by law, each person is entitled to a copy of information compiled, created, or otherwise in the custody of public agencies that is in electronic format, subject to the same restrictions applicable to the information in printed form. All restrictions relating to confidentiality, privacy, business secrets, and copyright are applicable to the electronic information.

(2) Except as provided by law and subject to subsection (4), an agency may charge a fee, not to exceed:

(a) the agency's actual cost of purchasing the electronic media used for transferring data, if the person requesting the information does not provide the media; or

(b) expenses incurred by the agency as a result of mainframe processing charges or other out-of-pocket expenses directly associated with the request for information.

(3) An agency may also charge an hourly fee for each hour, or fraction of an hour, after one-half hour of copying service has been provided. The hourly fee may not exceed the hourly rate for the current fiscal year for a state employee classified as grade 10, market salary, under 2-18-312.

(4) In addition to the allowable fees in subsection (2), the department of revenue may charge an additional fee as reimbursement for the cost of developing and maintaining the computer-assisted mass appraisal system. The fee must be charged to persons requesting the data base or any part of the data base from the mass appraisal system. All fees received by the department under this subsection must be deposited in a state special revenue fund as provided in [section 2].

~~4~~(5) For the purposes of this section, the term "agency" has the meaning provided in 2-3-102 but includes legislative, judicial, and state military agencies.

~~5~~(6) This section does not authorize the release of electronic security codes giving access to private

1 information."

2 **NEW SECTION. Section 2.** Property valuation improvement
3 fund. There is an account in the state special revenue fund
4 to be used by the department for increasing the efficiency
5 of the property appraisal, assessment, and taxation process
6 through improvements in technology and administration. The
7 department shall deposit fees collected pursuant to
8 2-6-110(4) in the account.

9 **Section 3.** Section 5-18-115, MCA, is amended to read:

10 "5-18-115. Report to revenue oversight committee. The
11 department of revenue shall at the request of the revenue
12 oversight committee report to the revenue oversight
13 committee ~~at every revenue oversight committee meeting as to~~
14 ~~its~~ on the department's progress in completing the
15 revaluation cycle."

16 **Section 4.** Section 7-3-1301, MCA, is amended to read:

17 "7-3-1301. Department of finance. (1) The director of
18 finance ~~shall have~~ has charge of the administration of the
19 financial affairs of the municipality, including the keeping
20 and supervision of all accounts; the custody and
21 disbursement of municipal funds and money; the making of
22 special assessments ~~and the assessment of property for~~
23 ~~taxation~~; the issuance of licenses; the collection of
24 license fees; the control over expenditures; the purchase,
25 storage, and distribution of supplies needed by the

1 municipality; and such other duties as the commission may by
2 ordinance require.

3 (2) ~~He shall also have all~~ The director of finance has
4 all powers and shall perform all duties imposed upon county
5 clerk and recorders and auditors by general law.

6 (3) All of the provisions of the general laws of the
7 state in with respect to budgets for cities and counties
8 ~~shall~~ apply to such the municipality."

9 **Section 5.** Section 7-3-1309, MCA, is amended to read:

10 "7-3-1309. Division of assessment. (1) There ~~shall~~ may
11 be in the department of finance a division of assessment,
12 the head of which ~~shall~~ may be the assessor. The ~~assessor~~
13 ~~and his deputies shall have~~ division of assessment has the
14 ~~powers, qualify in the manner, of~~ and shall perform the
15 duties prescribed for county assessors ~~and deputy assessors~~
16 by general law.

17 (2) The ~~assessor shall also be~~ division of assessment
18 is in charge of the preparation of all special assessments
19 for public improvements, the giving of notice of such the
20 assessments to property owners and purchasers of property
21 under contracts for deed, and the certification of all
22 unpaid assessments to the director of finance."

23 **Section 6.** Section 7-3-4252, MCA, is amended to read:

24 "7-3-4252. Powers of council. The council ~~shall have~~
25 ~~and possess~~ has and ~~the council and its members~~ shall

exercise all executive, legislative, and judicial powers and duties ~~now-had~~, possessed, and exercised by the mayor, city council, board of public works, park commissioners, board of police and fire commissioners, board of waterworks trustees, board of library trustees, attorney, ~~assessor~~, treasurer, auditor, city engineer, and other executive and administrative offices in cities organized under the general municipal incorporation laws."

Section 7. Section 7-4-2401, MCA, is amended to read:

"7-4-2401. Deputy officers. (1) ~~Every~~ Each county and township officer, except a justice of the peace and the county assessor, may appoint as many deputies or assistants as may be necessary for the faithful and prompt discharge of the duties of ~~his~~ the office. All compensation or salary of any deputy or assistant ~~shall~~ must be as provided in this code.

(2) The appointment of deputies, clerks, and subordinate officers of counties, districts, and townships must be made in writing and filed in the office of the county clerk and recorder."

Section 8. Section 7-4-2505, MCA, is amended to read:

"7-4-2505. Amount of compensation for deputies and assistants. (1) Subject to subsection (2), the boards of county commissioners in the several counties in the state shall ~~have--the--power--to~~ fix the compensation allowed any

deputy or assistant of the following officers:

- (a) clerk and recorder;
- (b) clerk of the district court;
- (c) treasurer;
- ~~(d)--assessor;~~
- ~~(e)~~ (d) county attorney;
- ~~(f)~~ (e) auditor.

(2) (a) The salary of a deputy or an assistant listed in subsection (1), other than a deputy county attorney, may not be more than 90% of the salary of the officer under whom ~~such the~~ deputy or assistant is serving. The salary of a deputy county attorney, including longevity payments provided in 7-4-2503(3)(d), may not exceed the salary of the county attorney under whom ~~he~~ the deputy is serving.

(b) ~~Where-any~~ If a deputy or assistant is employed for a period of less than 1 year, the compensation of ~~such the~~ deputy or assistant ~~shall~~ must be for the time ~~so~~ employed, provided the rate of ~~such~~ compensation ~~shall~~ may not be in excess of the rates ~~now~~ provided by law for similar deputies and assistants ~~except-as-provided-herein~~.

~~(c)--Deputy-assessors'-salaries-shall--be--the--same--as paid-the-deputy-clerk-and-recorder--"~~

Section 9. Section 7-4-3007, MCA, is amended to read:

"7-4-3007. Qualifications for office of county assessor ~~-----forfeiture---of---office.~~ ~~(i)~~ In addition to the

1 qualifications set forth in 7-4-2201, each assessor, before
2 entering the duties of his office, must:

3 (a) shall take and file with the county clerk the
4 constitutional oath of office; and

5 (b) ~~certify to the county clerk that:~~

6 (i) ~~he has satisfactorily completed the assessor~~
7 ~~certification training as provided in 15-8-106(2); or~~

8 (ii) ~~he intends to take the assessor certification~~
9 ~~training at the next offering.~~

10 (2) ~~An assessor forfeits his office for failure to take~~
11 ~~and satisfactorily complete the assessor certification~~
12 ~~training within 36 months after taking office by election or~~
13 ~~appointment or for failure to satisfactorily complete annual~~
14 ~~continuing education as provided in 15-8-106, unless the~~
15 ~~board of county commissioners finds that:~~

16 (a) ~~the assessor is excused for reasons beyond his~~
17 ~~control including illness, a death in the family, or other~~
18 ~~good cause; or~~

19 (b) ~~there is no other qualified person available for~~
20 ~~appointment as assessor."~~

21 **Section 10.** Section 7-6-4409, MCA, is amended to read:

22 "7-6-4409. Determination of assessments. (1) The
23 assessment made by the department of revenue or its agent
24 for state and county purposes is the basis of taxation for
25 cities and towns for the property situated therein in the

1 city or town.

2 (2) It is the duty of the department or its agent, in
3 making the assessment book property tax record, to
4 separately and distinctly designate therein the real and
5 personal property; ~~stating each separately and distinctly;~~
6 situated in cities and towns within each county in the
7 state."

8 **Section 11.** Section 7-6-4410, MCA, is amended to read:

9 "7-6-4410. Assessment book Property tax record to be
10 furnished to certain municipalities. (1) On or before the
11 second Monday in July of each year, the department or its
12 agent must of revenue shall furnish a certified copy of the
13 property tax record to all cities of the third class and
14 towns within each county which ~~shall~~ that make written
15 request for the same record on or before the first Monday in
16 April of each year. ~~a complete certified copy of the~~
17 ~~assessment book, so far as such assessment book pertains~~ The
18 property tax record must pertain to property within the
19 limits of said the requesting cities and towns.

20 (2) The department may charge such cities and towns 5
21 cents per folio of 100 words for each copy of the assessment
22 book property tax record furnished such to cities and towns
23 as provided in subsection (1). Money received pursuant to
24 this section must be deposited in the property valuation
25 improvement fund provided for in [section 2]."

1 **Section 12.** Section 7-6-4412, MCA, is amended to read:

2 "7-6-4412. Preparation of municipal assessment--book
3 property tax record. (1) ~~it-is-the-duty-of-the~~ The county
4 clerk, on or before the first Monday in October in each
5 year, ~~to--make-a-duplicate-of-the-corrected-assessment-book~~
6 for shall provide a copy of the property tax record to each
7 city in the county, ~~if the city treasurer of-which is~~
8 required by an ordinance of such the city to collect its
9 taxes. ~~Such--book-shall-be-styled-"The-Duplicate-Assessment~~
10 ~~Book-for-the-City-of----~~ and-must-contain The record must
11 be a copy of the corrected ~~assessment-book~~ property tax
12 record of the county, as far as ~~the-same it~~ refers to city
13 property.

14 (2) ~~Such--duplicate The copy~~ must be made in a book
15 ~~furnished-by-the-city-clerk-of-each-city-in-the--county--and~~
16 ~~ruled-in-columns-specifying form~~ that itemizes the different
17 funds, so that the city treasurer may extend the ~~same~~ funds
18 and collect the taxes.

19 ~~{3}--The--county--clerk--must--deliver--such---duplicate~~
20 ~~assessment--book-to-each-city-treasurer-and-take-his-receipt~~
21 ~~therefor,--having-attached-thereto-the-affidavit--similar--to~~
22 ~~the-one-set-out-in-15-10-306,~~"

23 **Section 13.** Section 7-6-4413, MCA, is amended to read:

24 "7-6-4413. Collection of taxes. (1) Except in the case
25 of such cities of the first, second, and third classes as

1 may that provide by ordinance for the city treasurer to
2 collect the taxes from such the corrected ~~assessment--book~~
3 property tax record, the county treasurer of each county
4 ~~must shall~~ collect the tax levied by all cities and towns in
5 ~~his the~~ respective county.

6 (2) The county treasurer ~~must shall~~ collect such the
7 city or town taxes, including unpaid road poll taxes, at the
8 same time as the state and county taxes and with the same
9 penalties and interest in case of delinquency."

10 **Section 14.** Section 7-8-2513, MCA, is amended to read:

11 "7-8-2513. Appraisal of land required -- exception. (1)
12 The county commissioners shall, before they sell, exchange,
13 or lease lands under the provisions of this part, cause such
14 the lands to be appraised by a qualified, independent
15 person, who may be but is not required to be an agent
16 employee of the department of revenue, to determine the
17 value of such the lands for the purpose of such the sale,
18 exchange, or lease.

19 (2) For the purposes of this section, a renewal of the
20 lease ~~shall-be~~ is considered an initial lease if the renewal
21 is for a term exceeding 5 years.

22 (3) The board of county commissioners may lease mineral
23 interests in land, whether such the interests are severed or
24 not, without an appraisal as required by subsection (1)."

25 **Section 15.** Section 7-12-4181, MCA, is amended to read:

1 "7-12-4181. Collection of district assessments by
 2 county clerk -- certification. (1) Except as provided in
 3 7-12-4183, in every each city or town where taxes for
 4 general, municipal, and administrative purposes are
 5 certified to and collected by the county treasurer in
 6 accordance with the provisions of 7-6-4407 immediately after
 7 the second Monday of August of each year, it ~~shall-be~~ is the
 8 duty of the city treasurer or town clerk to certify, at the
 9 same time that the copy of the resolution determining the
 10 annual levy for general taxes is certified by the city or
 11 town clerk to the county clerk as required by 7-6-4407, to
 12 the ~~county-assessor-of-the-county-in-which-such-city-or-town~~
 13 ~~is--situated~~ department of revenue all special assessments
 14 and taxes levied and assessed in accordance with any of the
 15 provisions of ~~this-part-and~~ part 42 and this part.

16 (2) The ~~county--assessor~~ department of revenue shall
 17 ~~thereupon enter same~~ the special assessments and taxes upon
 18 the ~~assessment--roll-of~~ property tax record for the county.
 19 The county treasurer ~~must~~ shall collect all such taxes and
 20 assessments in the same manner and at the same time as ~~said~~
 21 taxes for general, municipal, and administrative purposes
 22 are collected by-him."

23 **Section 16.** Section 7-12-4184, MCA, is amended to read:

24 "7-12-4184. Reinstatement of delinquent assessment. (1)
 25 Whenever any special assessment or installment is

1 delinquent, is declared to be delinquent by appropriate
 2 resolution of the city or town council, and is certified to
 3 the county clerk and county treasurer for collection as
 4 ~~herein provided in this part~~, the city or town council may,
 5 nevertheless, at its option, by appropriate resolution,
 6 order the delinquent assessment to be withdrawn from the
 7 county treasurer, canceled from ~~his~~ the county treasurer's
 8 records and proceedings, and reinstated in the office of the
 9 city treasurer and on the ~~assessment-book-thereof~~ property
 10 tax record upon the payment to the city treasurer of the
 11 assessment or the installment and interest up to date.

12 (2) The certified copy of the resolution of the council
 13 with reference to such the payment, withdrawal, and
 14 reinstatement, filed with the county treasurer, is authority
 15 for the county treasurer to cancel and withdraw the
 16 delinquent special assessment or installment.

17 (3) The withdrawal and reinstatement may be made at any
 18 time before or after sale of the property for delinquent
 19 taxes and before a tax deed ~~therefor~~ is executed."

20 **Section 17.** Section 7-13-233, MCA, is amended to read:

21 "7-13-233. Procedure to collect service charge. (1) The
 22 service charge may be imposed for:

23 (a) any fiscal year for which the district establishes
 24 a budget or incurs costs related to planning or constructing
 25 a solid waste management facility; or

(b) services to begin within 12 months.

(2) The board shall certify to the county commissioners of the county served by the solid waste management district the service charge needed for the current fiscal year, the due but unpaid service charges, and a description of the property against which the service charges are to be levied.

(3) The department of revenue ~~or its agent~~ shall ensure that the amount of the service charge is placed on property tax notices and that the service charge is collected with property taxes.

(4) The board may establish a system for collecting service charges other than by tax notices to property owners issued by the department of revenue. The board may collect the service charge more often than property taxes are collected.

(5) If not paid, the service charge becomes delinquent and becomes a lien on the property, subject to the same penalties and the same rate of interest as property taxes."

Section 18. Section 7-13-2304, MCA, is amended to read:

"7-13-2304. Notice of intention to levy tax. (1) When the written estimate of the amount of money required has been delivered to the board of county commissioners, ~~said~~ the board shall give notice of its intention to levy and collect a tax sufficient for the payment ~~thereof~~ of bond obligations and other expenses.

(2) Such The notice ~~shall~~ must be given:

(a) by posting ~~notice thereof~~ in five public places within the county and within the boundaries of the lands upon which the tax is to be levied;

(b) by publishing a copy of the notice as provided in 7-1-2121; and

(c) by forwarding, by mail as provided in 7-1-2122 at least 10 days prior to the hearing provided for in 7-13-2306(4), a copy of the notice addressed to the owners and the purchasers under contracts for deed of taxable real property within the district as shown by the current ~~assessment--book--on--file--in--the--office--of--the--assessor--of~~ property tax record maintained by the department of revenue ~~for~~ the county or counties the boundaries of which include taxable real property of the district."

Section 19. Section 7-13-2306, MCA, is amended to read:

"7-13-2306. Contents of notice -- hearing and protest. The notice required by 7-13-2304 ~~shall~~ must state:

(1) the amount of money required;

(2) the method of assessment ~~which~~ that the board or boards of county commissioners intend to employ;

(3) the boundaries or description of the lands to be assessed, which ~~boundaries-or-description~~ may be recited in full or may be given by reference to any instrument on file or of record in the office of the clerk and recorder; or

1 ~~treasurer, or assessor~~ of the county or counties in which
 2 the district or part thereof of the district is situated or
 3 with the department of revenue; and

4 (4) the time when and the place where the board or
 5 boards of county commissioners will hear and pass upon all
 6 protests that may be made against the levy of the tax or any
 7 matter pertaining thereto to the tax."

8 **Section 20.** Section 7-13-2527, MCA, is amended to read:

9 "7-13-2527. List of property owners. (1) A copy of the
 10 order creating the district must be delivered to the county
 11 ~~assessor of each county within the district~~ department of
 12 revenue.

13 (2) The assessor department shall, on or before August
 14 1 of each year, prepare and certify a list of all persons
 15 owning class four property within the district and deliver a
 16 copy of the list to the board of trustees of the district."

17 **Section 21.** Section 7-13-2528, MCA, is amended to read:

18 "7-13-2528. Financial administration of district. (1)
 19 The board of trustees shall, from any list prepared by the
 20 ~~county assessor~~ department of revenue as required by
 21 7-13-2527, remove the names of any persons who have claimed
 22 exemption under this part prior to September 1 and shall
 23 prepare a budget for the expenses for the next year.

24 (2) The budget, together with the list of such persons
 25 residing in the district and subject to the special tax

1 after all exemptions have been allowed as provided in this
 2 part, ~~shall must~~ be presented by September 1 to the board of
 3 county commissioners, who shall levy the tax requested by
 4 ~~said the~~ trustees. The board shall levy such the tax in
 5 accordance with the trustees' request ~~herein-mentioned~~. In
 6 preparing the budget, the board of trustees shall maintain
 7 separate budgets for television services and for FM
 8 translator services and shall specify the tax to be levied
 9 on property owners for these services. The tax ~~shall must~~ be
 10 certified to the county clerk and recorder, who shall notify
 11 the department of revenue for entry of the tax and entered
 12 on the assessment-books property tax record as against such
 13 those persons and collected by the county treasurer as all
 14 other taxes are collected.

15 (3) The county treasurer ~~shall be~~ is the treasurer for
 16 ~~said the~~ district and shall hold ~~said the~~ taxes, as
 17 collected, in a separate fund to be disbursed ~~by him~~ upon
 18 warrants drawn by the trustees, at least two of whom shall
 19 sign any warrant for the disbursement of such the funds by
 20 the county treasurer."

21 **Section 22.** Section 7-13-4309, MCA, is amended to read:

22 "7-13-4309. Procedure to collect sewer charges. (1) The
 23 sewer charges ~~shall must~~ be collected by the treasurer.

24 (2) On or before July 15 of each year, notice ~~shall~~
 25 must be given by the city treasurer or town clerk to the

1 owners of all lots or parcels of real estate to which sewer
 2 service has been furnished prior to July 1 by the city or
 3 town. ~~Said~~ The notice shall must specify the assessment
 4 owing and in arrears at the time of giving such notice. Such
 5 The notice shall must be in writing and ~~shall must~~ state the
 6 amount of such arrearage, including any penalty and interest
 7 assessed pursuant to the provisions of the city or town
 8 ordinance, and that unless the same amount is paid by August
 9 15 thereafter, the same amount will be levied as a tax
 10 against the lot or parcel of real estate to which sewer
 11 service was furnished and for which payment is delinquent as
 12 ~~above-specified~~. The notice ~~shall must~~ also state that the
 13 city or town may by suit collect past-due assessments,
 14 interest, and penalties, as a debt owing the city or town,
 15 in any court of competent jurisdiction, including the city
 16 court. ~~Such~~ The notice may be delivered to ~~such the~~ owner
 17 personally or by letter addressed to ~~such the~~ owner at the
 18 post-office address of ~~such the~~ owner as ~~recorded--in--the~~
 19 ~~office--of-the-county-assessor shown in property tax records~~
 20 maintained by the department of revenue.

21 (3) (a) Except as provided in subsection (3)(b), on
 22 September 1, the city treasurer or town clerk shall certify
 23 and file with the ~~county-assessor~~ department of revenue a
 24 list of all lots or parcels of real estate, giving the legal
 25 description thereof of the lot or parcel, to the owners of

1 which notices of arrearage in payments were given ~~as--above~~
 2 ~~specified~~ and which arrearage ~~still~~ remains unpaid and
 3 stating the amount of ~~such the~~ arrearage, including any
 4 penalty and interest. The ~~county--assessor~~ department of
 5 revenue shall insert the same amount as a tax against ~~such~~
 6 the lot or parcel of real estate.

7 (b) In cities where the council has provided by
 8 ordinance for the collection of taxes, the city treasurer
 9 shall ~~insert--such~~ collect the delinquent amount, including
 10 penalty and interest, as a tax against the lot or parcel of
 11 real estate to which sewer service was furnished and payment
 12 for which is delinquent.

13 (4) A city or town may, in addition to pursuing the
 14 collection of assessments in the same manner as a tax, bring
 15 suit in any court of competent jurisdiction, including city
 16 court, to collect the amount due and owing, including
 17 penalties and interest, as a debt owing the city or town."

18 **Section 23.** Section 7-13-4507, MCA, is amended to read:

19 "7-13-4507. Notice of resolutions of intention and
 20 concurrence. (1) The commissioners shall give notice of the
 21 passage of the resolution of intention and resolution of
 22 concurrence, if applicable, and publish a notice that:

23 (a) describes the local water quality program that
 24 would be implemented in the local water quality district;

25 (b) specifies the initial proposed fees to be charged;

(c) designates the time and place where the commissioners will hear and decide upon protests made against the operation of the proposed district; and

(d) states that a description of the boundaries for the proposed district is included in the resolution on file in the county clerk's office.

(2) The notice must be published as provided in 7-1-2121 and must also be posted in three public places within the boundaries of the proposed district.

(3) The commissioners shall mail to all owners of proposed fee-assessed units, as listed in the county assessor's-office property tax record maintained by the department of revenue, a postcard that identifies the location where the resolution of intention, resolution of concurrence, and protest forms may be obtained."

Section 24. Section 7-14-2735, MCA, is amended to read:

"7-14-2735. Lien arising from assessments. (1) All of the lands in each part ~~shall-be~~ are subject to a lien for all of the assessments of that part until they have been paid.

(2) The assessment ~~so-made-shall-be~~ is a first lien on the land described in the assessment roll register."

Section 25. Section 7-14-2738, MCA, is amended to read:

"7-14-2738. Preparation of assessment roll register.

(1) When the order for improvement and construction has been

made by the board, the committee and the county-assessor department of revenue shall apportion the estimated cost and expenses to the land in the district.

(2) Within 30 days before the letting of the contract, the assessor department shall report to and file with the board and the treasurer an assessment roll register in duplicate. It ~~shall~~ must contain the description of each parcel of land to be assessed, the amount to be assessed against it, and the name of the owner, if known."

Section 26. Section 7-14-2739, MCA, is amended to read:

"7-14-2739. Notice of preparation of assessment roll register. As soon as the assessment roll register is reported and filed, the board shall publish notice as provided in 7-1-2121. The notice ~~shall~~ must notify all persons interested that the assessment roll register has been filed and require them to appear at the office of the board at the county seat at a time not less than 15 days from the date of the last publication of the notice to make objections."

Section 27. Section 7-14-2740, MCA, is amended to read:

"7-14-2740. Hearing on assessment roll register. At the time fixed, the board ~~and-the-assessor~~ shall meet. If no objections have been filed, the board shall make an order confirming the assessment roll register. If written objections, properly verified, have been filed, the board

shall hear the objections, receiving any testimony from any party involved."

Section 28. Section 7-14-2742, MCA, is amended to read:

"7-14-2742. Correction of errors -- approval of assessment roll register. (1) After the hearing, the board shall make such any corrections as appear just to apportion the assessment to the benefit to be received.

(2) If The board shall then make and enter an order approving and certifying the assessment roll register."

Section 29. Section 7-14-2743, MCA, is amended to read:

"7-14-2743. Levy of assessments. With the aid of the assessor department of revenue, the board shall levy and assess the amounts on the assessment roll register against the parcels of land or parts thereof of parcels. The department shall enter in the property tax record the amounts levied and assessed."

Section 30. Section 7-14-2744, MCA, is amended to read:

"7-14-2744. Mode of payment of assessment -- immediate payment. (1) If immediate payment is chosen, the board shall deliver the assessment roll register to the county clerk as soon as it has been proved and certified. The clerk shall file a duplicate in his the clerk's office and immediately deliver the other to the treasurer.

(2) The treasurer shall publish a notice for 2 consecutive weeks in the newspapers in which the notice for

bids was advertised and shall mail a copy of the notice to the owners of the land assessed, when the name and post-office address of the owner are known.

(3) Failure to mail notice shall is not be fatal to the assessment when it has been published.

(4) The notice shall must state the following:

(a) The assessment roll register has been certified to the treasurer for collection.

(b) Unless payment is made within 30 days from the date of the notice, the payment will become delinquent and shall bear bears interest at the rate of 10% per annum.

(c) If the assessment is not paid before it becomes delinquent, a penalty of 5% shall must be added, as well as the interest on the annual tax roll for the current year.

(d) The interest and penalty shall must be collected together with such the additional charges as are authorized to be charged and collected on other delinquent taxes.

(e) The land assessed shall must be sold for the amount of the assessment with interest, penalty, and costs, in the manner and with the same authority as lands are sold for general taxes."

Section 31. Section 7-14-2745, MCA, is amended to read:

"7-14-2745. Mode of payment of assessment -- installment payments. (1) Installment payments shall must be made in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

1 (2) Payments ~~shall~~ must be in the form of bonds which
2 ~~shall that~~ draw interest, not to exceed the limitations of
3 17-5-102, per annum from the date they are issued until they
4 are paid.

5 (3) If the mode of payment is to be by installments,
6 the board and the committee shall approve and certify the
7 assessment ~~roll~~ register.

8 (4) The board ~~and--the-assessor~~ shall, at the time of
9 levying the assessment and in ~~their~~ the order setting the
10 levy, declare that the sum charged against each parcel of
11 land may be paid in equal annual installments with interest
12 upon the whole sum at the rate fixed by the board of county
13 commissioners in accordance with law. The order ~~shall~~ must
14 specify the number of installments ~~that--shall~~, which must be
15 equal to the number of years for which the bonds may run.

16 (5) Each year thereafter, the treasurer shall collect
17 one of the installments, together with the interest due
18 thereon on that installment and the interest due on the
19 future installments ~~thereafter-to-become-due~~.

20 (6) Provisions concerning delinquency and the sale of
21 land set forth with relation to the mode of immediate
22 payment ~~shall-be--likewise~~ are applicable to installment
23 payments."

24 **Section 32.** Section 7-14-2755, MCA, is amended to read:

25 "7-14-2755. Notice of use of bonds. (1) If the board

1 provides that payment of costs ~~shall~~ must be made by the
2 issuance of bonds, the treasurer shall publish notice for 2
3 consecutive weeks and mail a copy of the notice in the same
4 manner as is provided with relation to immediate payment.

5 (2) The notice ~~shall~~ must state that:

6 (a) the assessment ~~roll~~ register has been certified to
7 the treasurer for collection;

8 (b) unless payment of the whole amount of the
9 assessment is made within 30 days from the date of the
10 notice, special bonds ~~shall~~ must be issued against the lands
11 in the district for the payment of the assessment;

12 (c) if the bonds are issued, they will be payable in
13 annual installments with interest thereon on the bonds at
14 the rate provided in the bonds."

15 **Section 33.** Section 15-1-101, MCA, is amended to read:

16 "15-1-101. Definitions. (1) Except as otherwise
17 specifically provided, when terms mentioned in this section
18 are used in connection with taxation, they are defined in
19 the following manner:

20 (a) The term "agricultural" refers to:

21 (i) the production of food, feed, and fiber
22 commodities, livestock and poultry, bees, fruits and
23 vegetables, and sod, ornamental, nursery, and horticultural
24 crops that are raised, grown, or produced for commercial
25 purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and the profit margin shown in national appraisal guides and manuals or the valuation schedules of the department of revenue.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except that property described in subsection (1)(d)(ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and ~~beginning January 1, 1994~~ forest lands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as ~~his~~ stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) "Department" means the department of revenue provided for in 2-15-1301.

~~(g)~~(h) The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2). The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other natural gas found in any coal formation.

~~(h)~~(i) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department of revenue--or its--agent determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation which that cannot feasibly be relocated and only when the wheels are removed.

~~(i)~~(j) The term "leasehold improvements" means

1 improvements to mobile homes and mobile homes located on
 2 land owned by another person. This property is assessed
 3 under the appropriate classification, and the taxes are due
 4 and payable in two payments as provided in 15-24-202.
 5 Delinquent taxes on such leasehold improvements are a lien
 6 only on such the leasehold improvements.

7 {j}{k} The term "livestock" means cattle, sheep, swine,
 8 goats, horses, mules, asses, llamas, alpacas, bison, and
 9 domestic ungulates.

10 {k}{l} The term "mobile home" means forms of housing
 11 known as "trailers", "housetrainers", or "trailer coaches"
 12 exceeding 8 feet in width or 45 feet in length, designed to
 13 be moved from one place to another by an independent power
 14 connected to them, or any "trailer", "housetrailer", or
 15 "trailer coach" up to 8 feet in width or 45 feet in length
 16 used as a principal residence.

17 {l}{m} The term "personal property" includes everything
 18 that is the subject of ownership but that is not included
 19 within the meaning of the terms "real estate" and
 20 "improvements".

21 {m}{n} The term "poultry" includes all chickens,
 22 turkeys, geese, ducks, and other birds raised in
 23 domestication to produce food or feathers.

24 {n}{o} The term "property" includes moneys money,
 25 credits, bonds, stocks, franchises, and all other matters

1 and things, real, personal, and mixed, capable of private
 2 ownership. This definition must may not be construed to
 3 authorize the taxation of the stocks of any company or
 4 corporation when the property of such the company or
 5 corporation represented by the stocks is within the state
 6 and has been taxed.

7 {o}{p} The term "real estate" includes:

8 (i) the possession of, claim to, ownership of, or right
 9 to the possession of land;

10 (ii) all mines, minerals, and quarries in and under the
 11 land subject to the provisions of 15-23-501 and Title 15,
 12 chapter 23, part 8; all timber belonging to individuals or
 13 corporations growing or being on the lands of the United
 14 States; and all rights and privileges appertaining thereto
 15 to the mines, minerals, quarries, and timber.

16 {p}{q} "Research and development firm" means an entity
 17 incorporated under the laws of this state or a foreign
 18 corporation authorized to do business in this state whose
 19 principal purpose is to engage in theoretical analysis,
 20 exploration, and experimentation and the extension of
 21 investigative findings and theories of a scientific and
 22 technical nature into practical application for experimental
 23 and demonstration purposes, including the experimental
 24 production and testing of models, devices, equipment,
 25 materials, and processes.

(r) The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" ~~shall be deemed to include~~ includes a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification ~~shall mean~~ means the state tax appeal board."

Section 34. Section 15-1-111, MCA, is amended to read:

"15-1-111. Reimbursement to local governments and schools -- duties of department and county treasurer -- statutory appropriation. (1) Prior to September 1, 1990, the department's agent in the county shall supply the following information to the department for each taxing jurisdiction within the county:

(a) the number of mills levied in the jurisdiction for taxable tax year 1989;

(b) the number of mills levied in the jurisdiction for taxable tax year 1990;

(c) the total taxable valuation for taxable tax years

1989 and 1990, reported separately for each year, of all personal property not secured by real property; and

(d) the total taxable valuation for taxable tax years 1989 and 1990, reported separately for each year, of all personal property secured by real property.

(2) After receipt of the information from its agent, the department shall calculate the amount of revenue lost to each taxing jurisdiction, using current year mill levies, due to the annual reduction in personal property tax rates set forth in 15-6-138, and any reduction in taxes based upon recalculation of the effective tax rate for property in 15-6-145. The department shall total the amounts for all taxing jurisdictions within the county.

(3) (a) The department shall remit to the county treasurer 50% of the amount of revenue reimbursable, determined pursuant to subsection (1), on or before November 30 and the remaining 50% on or before May 31.

(b) For tax year 1993 and for each tax year thereafter, the department shall remit to the county treasurer of each county the same amount remitted to the county treasurer for the fiscal year 1991, as adjusted by the result of dissolved or combined taxing jurisdictions, as provided for in subsection (7). Fifty percent of the amount must be remitted on or before November 30 and the remaining 50% on or before May 31.

(4) Upon receipt of the reimbursement from the department, the county treasurer shall distribute the reimbursement to each taxing jurisdiction as calculated by the department.

(5) For the purposes of this section and subject to subsection (7), "taxing jurisdiction" means a jurisdiction levying mills against personal property and includes but is not limited to a county, city, school district, tax increment financing district, and miscellaneous taxing district, and the state of Montana.

(6) The amounts necessary for the administration of this section are statutorily appropriated, as provided in 17-7-502, from the general fund to reimburse eligible taxing jurisdictions for reductions in tax rates on personal property.

(7) The following apply to taxing jurisdictions that were altered after tax year 1989:

(a) A taxing jurisdiction that existed in tax year 1989 and that no longer exists is not entitled to reimbursement under this section.

(b) A taxing jurisdiction that existed in tax year 1989 and that is split into two or more taxing jurisdictions is entitled to reimbursement based on the portion of 1989 taxable value within each new taxing jurisdiction. The department shall determine the portion of 1989 taxable value

located in each taxing jurisdiction.

(c) A taxing jurisdiction that did not exist in tax year 1989 is not entitled to reimbursement under this section unless the jurisdiction was created as described in subsection (7)(b)."

Section 35. Section 15-1-201, MCA, is amended to read:

"15-1-201. Administration of revenue laws. (1) (a) The department ~~of-revenue-shall-have-and--exercise~~ has general supervision over the administration of the assessment and tax laws of the state, except Title 15, chapter 70, and over ~~its-agents-and~~ any officers of municipal corporations having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law. The department may make rules to supervise the administration of all revenue laws of the state and assist in their enforcement.

(b) The department ~~of--revenue~~ shall adopt rules specifying which types of property within the several classes are considered "comparable property" as described in 15-1-101.

(c) The department shall also adopt rules ~~specifying the-methodology-to-be-used-in--conducting--sales--assessment ratio-studies-and-in~~ for determining the value-weighted mean sales assessment ratio for all commercial and industrial

1 real property and improvements.

2 (2) The department shall confer with, advise, and
3 direct officers of municipal corporations ~~as--to~~ concerning
4 their duties, with respect to taxation, under the statutes
5 laws of the state.

6 (3) The department shall collect annually from the
7 proper officers of the municipal corporations information
8 about the assessment of property, collection of taxes,
9 receipts from licenses and other sources, the expenditure of
10 public funds for all purposes, and other information as may
11 be needful and helpful in the work of the department in a
12 form prescribed by the department. It is the duty of all
13 public officers to fill out properly and return promptly to
14 the department all forms and to aid the department in its
15 work. The department shall examine the records of all
16 municipal corporations for purposes considered needful or
17 helpful."

18 **Section 36.** Section 15-1-202, MCA, is amended to read:

19 "15-1-202. Enforcement of revenue laws. (1) The
20 department ~~of--revenue~~ may direct proceedings, actions, and
21 prosecutions to be instituted to enforce the laws relating
22 to the penalties, liabilities, and punishment of public
23 officials and persons or their agents for failure or neglect
24 to comply with the provisions of the statutes, except Title
25 15, chapter 70, governing the revenue of the state or

1 municipal corporations. The department shall cause
2 complaints to be made against ~~assessors--and--other~~ public
3 officers to the proper district court for their removal from
4 office for official misconduct, or neglect of duty, ~~or~~
5 ~~failure-of-an-assessor-to-comply-with-the--certification--or~~
6 ~~continuing-education-requirements-of-15-8-106.~~

7 (2) The department may require county attorneys to
8 assist in the commencement and prosecution of actions and
9 proceedings in their respective counties for penalties,
10 forfeitures, removals, and punishment for violations of the
11 laws of the state in respect to the assessment of property
12 and other revenue laws ~~or-for--failure--of--an--assessor--to~~
13 ~~comply---with--the--certification--or--continuing--education~~
14 ~~requirements-of-15-8-106.~~

15 ~~{3}--Nothing-in-this-section-affects--the--authority--of~~
16 ~~any--other--person, public-officer, or public-body-to-pursue~~
17 ~~any-other-legal-process-for-the-removal-from--office--of--an~~
18 ~~assessor--who--forfeits--office--for--failure-to-comply-with~~
19 ~~certification-and-continuing-education-requirements."~~

20 **Section 37.** Section 15-1-205, MCA, is amended to read:

21 "15-1-205. Biennial report -- contents. (1) The
22 department shall transmit to the governor 20 days before the
23 meeting of the legislature and make available to the
24 legislature a report of the department showing all the
25 taxable property of the state, counties, and cities and its

1 value, in tabulated form, with recommendations for
2 improvements in the system of taxation, together with
3 alternative measures as may be formulated for the
4 consideration of the legislature. The department shall
5 follow the provisions of 5-11-210 in preparing the report.

6 (2) The report or supplements to the report may also
7 include:

8 (a) the gross dollar amount of revenue loss
9 attributable to:

10 (i) personal income and corporation license tax
11 exemptions;

12 (ii) property tax exemptions for which application to
13 the department or its agent is necessary;

14 (iii) deferral of income;

15 (iv) credits allowed against Montana personal income tax
16 or Montana corporation license tax, reported separately;

17 (v) deductions from income; and

18 (vi) any other identifiable preferential treatment of
19 income or property;

20 (b) any change in tax revenue of the state or any unit
21 of local government attributable to a change in federal tax
22 law; and

23 (c) any change in the revenue of any unit of local
24 government attributable to a change in state tax law.

25 (3) The data described in subsection (2), if reported,

1 must be related to the income and age of the taxpayer
2 whenever the information is available.

3 (4) (a) When reporting the data described in subsection
4 (2)(a), the department shall identify any known purpose of
5 the preferential treatment.

6 (b) Based upon the purpose of the preferential
7 treatment, the department shall outline the available data
8 necessary to determine the effectiveness of the preferential
9 treatment.

10 (5) In reporting the data described in subsection (2),
11 the department shall report any comparable data, if
12 available, from Wyoming, Idaho, North Dakota, and South
13 Dakota and from any other state the department may choose.

14 (6) The department shall identify in a separate section
15 of the report any changes that have been made or that are
16 contemplated in property appraisal or assessment.

17 (7) The department may include a report, prepared by
18 the department of transportation, showing the selling price
19 of gasoline at the wholesale level in prime market centers
20 of Montana and in surrounding states during the biennium,
21 with indexes tabulated at sufficient intervals to show the
22 comparative state price structures.

23 (8) The department shall include the inheritance tax
24 information required by 72-16-202 in a separate section of
25 the report."

Section 38. Section 15-1-303, MCA, is amended to read:

"15-1-303. Penalty for refusal to furnish information.

(1) If a person refuses to allow inspection of any books or records when requested by the department or--its--authorized agent or refuses or neglects to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property, the department shall make a determination and assessment of the property as in its judgment appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the assessment as a penalty for the refusal or neglect. The department shall immediately notify the person assessed of its action, either by certified mail or by personal service of the notice.

(2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following remedies:

(a) Within 15 days after receipt of the assessment, the taxpayer may request an informal conference with the--agent of the department. At the conference, the taxpayer may present evidence in mitigation or extenuation of the failure to supply the information requested by the department. Within 10 days after the conference, the--agent-of the department shall notify the taxpayer by certified mail whether the assessment will be modified. The department may modify the penalty if the taxpayer presents sufficient

evidence in mitigation or extenuation of the failure to supply the information sought by the department and if it finds that the taxpayer did not willfully refuse to supply the information.

(b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to the county tax appeal board within 20 days after receipt of the decision of the department. The county tax appeal board has the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of the failure to supply the information that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment; or, if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's decision. When deciding an appeal

brought under this subsection, the state tax appeal board shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

Section 39. Section 15-6-207, MCA, is amended to read:

"15-6-207. Agricultural exemptions. (1) The following agricultural products are exempt from taxation:

(a) all unprocessed agricultural products on the farm or in storage and owned by the producer;

(b) all producer-held grain in storage;

(c) all unprocessed agricultural products, except livestock;

(d) except as provided in subsection (1)(e), livestock which that have not attained the age of 24 months as of March January 1;

(e) swine which that have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar

beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 40. Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners -- appeals. (1) The department ~~of-revenue~~ shall, ~~through-its-agent-as-specified-in-subsection--{2}~~, mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(a) change in ownership;

(b) change in classification;

(c) change in valuation; or

(d) addition or subtraction of personal property affixed to the land.

(2) (a) The county--~~assessor~~ department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the

1 classification and appraisal of the property and of changes
2 over the prior tax year.

3 (b) The notice must advise the taxpayer that in order
4 to be eligible for a refund of taxes from an appeal of the
5 classification or appraisal, the taxpayer is required to pay
6 the taxes under protest as provided in 15-1-402.

7 (3) If the owner of any land and improvements is
8 dissatisfied with the appraisal as it reflects the market
9 value of the property as determined by the department or
10 with the classification of the land or improvements, the
11 owner may request an assessment review by submitting an
12 objection in writing to the department, on forms provided by
13 the department for that purpose, within 15 days after
14 receiving the notice of classification and appraisal from
15 the department. The review must be conducted informally and
16 is not subject to the contested case procedures of the
17 Montana Administrative Procedure Act. As a part of the
18 review, the department may consider the actual selling price
19 of the property, independent appraisals of the property, and
20 other relevant information presented by the taxpayer in
21 support of the taxpayer's opinion as to the market value of
22 the property. The department shall give reasonable notice to
23 the taxpayer of the time and place of the review. After the
24 review, the department shall determine the true and correct
25 appraisal and classification of the land or improvements and

1 notify the taxpayer of its determination. In the
2 notification, the department shall state its reasons for
3 revising the classification or appraisal. When the proper
4 appraisal and classification have been determined, the land
5 must be classified and the improvements appraised in the
6 manner ordered by the department.

7 (4) Whether a review as provided in subsection (3) is
8 held or not, the department ~~or-its-agent~~ may not adjust an
9 appraisal or classification upon the taxpayer's objection
10 unless:

11 (a) the taxpayer has submitted an objection in writing;
12 and

13 (b) the department ~~or-its-agent~~ has stated its reason
14 in writing for making the adjustment.

15 (5) A taxpayer's written objection to a classification
16 or appraisal and the department's notification to the
17 taxpayer of its determination and the reason for that
18 determination are public records. The department shall make
19 the records available for inspection during regular office
20 hours.

21 (6) If any property owner feels aggrieved by the
22 classification or appraisal made by the department after the
23 review provided for in subsection (3), the property owner
24 has the right to first appeal to the county tax appeal board
25 and then to the state tax appeal board, whose findings are

final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 15 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

Section 41. Section 15-7-106, MCA, is amended to read:

"15-7-106. Courses of instruction, examination, and certification -- additional courses. (1) The department of revenue shall offer courses in the principles, methods, and techniques of appraising for property tax purposes property in three fields:

- (a) residential property;
- (b) agricultural land; and
- (c) commercial and industrial property.

(2) ~~Twice each year the~~ The department shall conduct an examination for those who have completed a course of instruction in any of the three fields listed in subsection (1).

(3) The department shall issue a certificate to each appraiser successfully completing a course of instruction and passing an examination in any of these fields.

(4) No A person may not take the examination for appraising commercial and industrial property unless he the person holds a certificate in appraising residential property.

(5) The department may schedule and conduct other courses within the state for appraisers and assessment personnel for training in the following subjects:

- (a) personal property assessment;
- (b) property tax administration; and
- (c) personnel management, fiscal management, public relations, professional ethics, and related management principles."

Section 42. Section 15-7-107, MCA, is amended to read:

"15-7-107. Certification required. (1) ~~Within--i--year after--his--employment-by-the-department-or-by-July-17-1988, whichever-occurs-later,--any~~ An appraiser employed by the department to appraise:

- (a) residential property must shall obtain a certificate in appraising residential property;
- (b) agricultural land ~~must~~ shall obtain a certificate in appraising agricultural land; and
- (c) commercial and industrial property ~~must~~ shall

1 obtain a certificate in appraising commercial and industrial
2 property.

3 (2) The department may promulgate rules requiring
4 appraisers to complete continuing education courses in laws,
5 rules, and methods relating to appraisal."

6 **Section 43.** Section 15-7-208, MCA, is amended to read:

7 "15-7-208. Reclassification by department. The
8 department ~~of--revenue--or--its--agent~~ may reclassify land as
9 nonagricultural upon giving due notice to the property owner
10 or any purchaser under contract for deed under the
11 provisions of 15-7-102. Upon notice of a change in
12 classification of land from agricultural to another use, the
13 property owner may petition the department to reclassify the
14 land as agricultural by completing a form prescribed by the
15 department and by producing whatever information is
16 necessary to prove that the subject land meets the
17 definition of agricultural land embodied in 15-7-202."

18 **Section 44.** Section 15-7-209, MCA, is amended to read:

19 "15-7-209. Reclassification by owner -- lien. (1)
20 Whenever land which that is or has been in agricultural use
21 and is or has been valued, assessed, and taxed for
22 agricultural use is applied to a use other than
23 agricultural, the owner shall notify the ~~county-assessor~~
24 department.

25 (2) The ~~county--assessor~~ department shall execute

1 provide, in a form eligible for recording, releases of lien,
2 for those liens attributable to the former rollback tax, and
3 the ~~assessor~~ department shall ~~record~~ present the releases in
4 ~~the---office--of~~ to the county clerk and recorder for
5 recording."

6 **Section 45.** Section 15-7-304, MCA, is amended to read:

7 "15-7-304. Report of transfers -- change of ownership
8 records. (1) All transfers of real property which that are
9 not evidenced by a recorded document, except those transfers
10 otherwise provided for in this part, ~~shall~~ must be reported
11 to the department ~~of--revenue--or--its--agent~~ on the form
12 prescribed.

13 (2) ~~No-agent-of-the~~ The department ~~may-change-or-be~~ is
14 not required to change any ownership records used for the
15 assessment or taxation of real property unless he the
16 department has received a transfer certificate from the
17 clerk and recorder or a transfer has been reported to him
18 the department as provided by rule."

19 **Section 46.** Section 15-7-308, MCA, is amended to read:

20 "15-7-308. Disclosure of information restricted. The
21 certificate required by this part and the information
22 ~~therein-shall~~ contained in the certificate is not be a
23 public record and ~~shall~~ must be held confidential by the
24 county clerk and recorder, ~~county--assessor,~~ and the
25 ~~department of-revenue~~. This is because the legislature finds

that the demands of individual privacy outweigh the merits of public disclosure. The foregoing confidentiality provisions ~~shall~~ do not apply to compilations from such the certificates or to summaries, analyses, and evaluations based upon such the compilations."

Section 47. Section 15-7-402, MCA, is amended to read:

"15-7-402. Application for residential appraisal of certain land and improvements. (1) Any person wishing to ~~insure~~ ensure that ~~his~~ the person's residential land and improvements are appraised as residential may file a signed application with the department of revenue or its agents.

(2) In the application, the owner must shall:

(a) assert that the property is used only for human habitation and is the principal residence of the owner;

(b) sign a statement pledging that the property will continue to be used as residential property; and

(c) show that the statement has been filed with the county clerk and recorder of the county in which the property is located.

(3) When the department has approved an application for residential use, the department and its agents shall consider only those indicia of value that the property has for residential use.

(4) Failure to file an application under this section ~~shall~~ may not result in reclassification on real property

unless there has been an actual change in use."

Section 48. Section 15-7-403, MCA, is amended to read:

"15-7-403. Rollback tax -- computation. (1) (a) If land and improvements appraised as residential as a result of an application filed under 15-7-402 are changed to industrial or commercial use, the property is subject to a rollback tax in addition to the property tax levied on the property. The rollback tax is a lien on the property and is due and payable by the owner of the property at the time of the change in use.

(b) As used in this section, "rollback" means the period preceding the change in use, not to exceed 5 years, during which the property was appraised as residential.

(2) The ~~department's~~ agent ~~department~~ shall determine the amount of rollback tax due on the property by:

(a) determining the taxable value of the property as industrial or commercial property;

(b) multiplying this value by the sum of the annual mill levies applied in the taxing jurisdiction in which the land is located during the rollback period; and

(c) subtracting from this figure the actual property tax paid on the property during this period."

Section 49. Section 15-8-102, MCA, is amended to read:

"15-8-102. County ~~assessor-as-agent--of--department----~~ ~~counties~~ to furnish office space. ~~{1}-The-county-assessors~~

of the various counties of the state are agents of the department of revenue for the purpose of locating and providing the department a description of all taxable property within the county, together with other pertinent information, and for the purpose of performing such other administrative duties as are required for placing taxable property on the assessment rolls. The assessors shall perform such other duties as are required by law, not in conflict with the provisions of this subsection.

{2} The county commissioners of the various counties each county shall provide existing office space in the county courthouse for use by the county assessor, his deputies and staff, and the state appraiser and department's assessment and appraisal staff, if such space is reasonably available. If such space is not reasonably available in the courthouse and the same must be contracted for, the department shall pay the cost thereof may contract for the procurement of suitable space. Additional personal property required by the department for the assessor to perform his duties as agent of the department shall be provided by the department.

{3} The department must provide maps for the use of its agents, showing the private lands owned or claimed in the county and, if surveyed under authority of the United States, the divisions and subdivisions of the survey. Maps

of cities and villages or school districts may in like manner be provided. The cost of making such maps is a state charge and must be paid from the state general fund.

Section 50. Section 15-8-104, MCA, is amended to read:

"15-8-104. Department audit and review of taxable value -- costs of audit paid by department. (1) When in the judgment of the director of revenue it is necessary, audits may be made for the purpose of determining the taxable value of net proceeds of mines and oil and gas wells and all other types of property subject to ad valorem taxation.

(2) The department of revenue shall may conduct audits reviews of the assessment of all commercial personal property to assure ensure that the value of the property in those classes reflects market value. Because the assessed value of commercial personal property is defined as market value under 15-8-111(2), the audits review conducted by the department shall may be primarily directed toward ensuring that all taxable personal property is reported to the department.

(3) The cost of any audit or review performed under subsection (1) or (2) shall must be paid by the department."

Section 51. Section 15-8-105, MCA, is amended to read:

"15-8-105. Purpose. The legislature hereby establishes There is a system of instruction, and examination, and certification for all county assessors assessment management

personnel selected by the department for the following purposes:

(1) to establish and document the achievement of competency requirements for county--assessors assessment management personnel and to ~~assure~~ ensure that all assessors assessment management personnel possess and are able to apply the knowledge, skills, and abilities required in the daily performance of assessor assessment duties; and

(2) to benefit the interests of local government units, property taxpayers, and property tax administrators statewide by the professional development and increased competency of elected--or---appointed---county---assessors assessment management personnel."

Section 52. Section 15-8-106, MCA, is amended to read:

"15-8-106. Assessor-certification Assessment management personnel training and continuing education. (1) The department of--revenue shall conduct annual---assessor certification assessment management personnel training and annual continuing education. ~~The--cost--of--conducting--such education--must--be--borne-by-the-department--The-department shall-pay-the-mileage-and-per-diem-of-each-assessor-and-each assessor-elect-attending.~~

(2) The annual---assessor---certification training includes:

(a) personal property assessment training;

(b) training in fundamentals of real property appraisal in the course I format of the international association of assessing officers; and

(c) training in property tax administration, personnel management, fiscal management, public relations, assessor professional ethics, and related public management principles.

(3) The annual assessor continuing education must include 18-hours-of-advanced-training-covering-the subjects described in subsection (2).

~~(4)--An-assessor-shall-satisfactorily-complete-18--hours of-advanced-training-within-a-3-year-period.~~

~~(5)--The--department--shall-issue-an-assessor-a-document acknowledging-that-he--is--a--certified--assessor--upon--his satisfactory--completion--of--the-training-in-subsection-(2) and-18-months--service-as-an-elected-or-appointed-assessor."~~

Section 53. Section 15-8-111, MCA, is amended to read:

"15-8-111. Assessment -- market value standard -- exceptions. (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) If the department uses construction cost as one

1 approximation of market value, the department shall fully
2 consider reduction in value caused by depreciation, whether
3 through physical depreciation, functional obsolescence, or
4 economic obsolescence.

5 (c) Except as provided in subsection (3), the market
6 value of all motor trucks; agricultural tools, implements,
7 and machinery; and vehicles of all kinds, ~~including but not~~
8 ~~limited to boats and all watercraft,~~ is the average
9 wholesale value shown in national appraisal guides and
10 manuals or the value of the vehicle before reconditioning
11 and profit margin. The department of revenue shall prepare
12 valuation schedules showing the average wholesale value when
13 a national appraisal guide does not exist.

14 (3) The department ~~of revenue or its agents~~ may not
15 adopt a lower or different standard of value from market
16 value in making the official assessment and appraisal of the
17 value of property, except:

18 (a) the wholesale value for agricultural implements and
19 machinery is the loan value as shown in the Official Guide,
20 Tractor and Farm Equipment, published by the national farm
21 and power equipment dealers association, St. Louis,
22 Missouri;

23 (b) for agricultural implements and machinery not
24 listed in the official guide, the department shall prepare a
25 supplemental manual where in which the values reflect the

1 same depreciation as those found in the official guide; and

2 (c) as otherwise authorized in Title 15 and Title 61.

3 (4) For purposes of taxation, assessed value is the
4 same as appraised value.

5 (5) The taxable value for all property is the
6 percentage of market or assessed value established for each
7 class of property.

8 (6) The assessed value of properties in 15-6-131
9 through 15-6-133 is as follows:

10 (a) Properties in 15-6-131, under class one, are
11 assessed at 100% of the annual net proceeds after deducting
12 the expenses specified and allowed by 15-23-503 or, if
13 applicable, as provided in 15-23-515, 15-23-516, or
14 15-23-517.

15 (b) Properties in 15-6-132, under class two, are
16 assessed at 100% of the annual gross proceeds.

17 (c) Properties in 15-6-133, under class three, are
18 assessed at 100% of the productive capacity of the lands
19 when valued for agricultural purposes. All lands that meet
20 the qualifications of 15-7-202 are valued as agricultural
21 lands for tax purposes.

22 (d) ~~Beginning January 1, 1990, and ending December 31,~~
23 ~~1993, properties in 15-6-143, under class ten, are assessed~~
24 ~~at 100% of the combined appraised value of the standing~~
25 ~~timber and grazing productivity of the land when valued as~~

1 ~~timberland.~~

2 ~~(e)--Beginning-January-17-1994, properties~~ Properties in
3 15-6-143, under class ten, are assessed at 100% of the
4 forest productivity value of the land when valued as forest
5 land.

6 (7) Land and the improvements on the land are
7 separately assessed when any of the following conditions
8 occur:

9 (a) ownership of the improvements is different from
10 ownership of the land;

11 (b) the taxpayer makes a written request; or

12 (c) the land is outside an incorporated city or town.

13 ~~(Subsection--(6)(d)--terminates-January-17-1994--sec-197-2h-~~
14 ~~7037-b7-199177)~~

15 **Section 54.** Section 15-8-112, MCA, is amended to read:

16 "15-8-112. Assessments to be made on classification and
17 appraisal. (1) The assessments of all lands, all city and
18 town lots, and all improvements must be made on the
19 classification and appraisal as made or caused to be made by
20 the department of-revenue.

21 (2) The percentage basis of assessed value as provided
22 for in chapter 6, part 1, is determined and assigned by the
23 department when it makes its annual assessment of the
24 property which that it is required to assess centrally under
25 ~~the-laws-of-this-state~~. The department shall ~~transmit--such~~

1 ~~determination--and-assignment-to-its-agents-in~~ apportion the
2 assessments to the various counties ~~with-the-assessments--so~~
3 ~~made~~, and its determination is final except as to the right
4 of review in the state tax appeal board or the proper
5 court."

6 **Section 55.** Section 15-8-113, MCA, is amended to read:

7 "15-8-113. Appeal from percentage assignment. If any
8 taxpayer ~~shall--feel--aggrieved--at~~ disagrees with the
9 percentage assignment ~~so~~ made by the department of-revenue
10 ~~or-its-agent, he shall-have-the-right-to~~ the taxpayer may
11 appeal to the county tax appeal board on the percentage
12 assignment the same as he a taxpayer may now has appeal on
13 valuations and also ~~the-right-to may~~ appeal from the county
14 tax appeal board to the state tax appeal board, whose
15 findings ~~shall-be~~ are final except as to the right of review
16 in the proper courts."

17 **Section 56.** Section 15-8-115, MCA, is amended to read:

18 "15-8-115. Department to defend property tax appeals --
19 costs and judgments. (1) The department of-revenue-or-its
20 designee is the party defendant in any proceeding before a
21 county tax appeal board, the state tax appeal board, or a
22 court of law that seeks to dispute or adjust an action of
23 the department under 15-8-101 arising from the exercise of
24 the department's duties as prescribed by law or
25 administrative rule. For the purposes of proceedings before

1 county tax appeal boards, service on the department may be
 2 obtained by serving the ~~local--county--assessor~~ person
 3 designated to receive service for the department.

4 (2) Costs, if any, ~~shall~~ must be assessed against the
 5 department and not against a local taxing unit.

6 (3) In any suit brought in the courts of this state for
 7 the refund of taxes paid under protest and those funds are
 8 held by the treasurer of a unit of local government in a
 9 protest fund, the court shall enter judgment, exclusive of
 10 costs, against the treasurer if the court finds the taxes
 11 should be refunded."

12 **Section 57.** Section 15-8-201, MCA, is amended to read:

13 "15-8-201. General assessment day. (1) The department
 14 ~~of-revenue-or-its-agent-must~~ shall, between January 1 and
 15 the second Monday of July in each year, ascertain the names
 16 of all taxable inhabitants and assess all property subject
 17 to taxation in each county. The department ~~or-its-agent-must~~
 18 shall assess property to the person by whom it was owned or
 19 claimed or in whose possession or control it was at midnight
 20 of the preceding January 1 ~~next--preceding. it--must~~ The
 21 department shall also ascertain and assess all mobile homes
 22 arriving in the county after midnight of the preceding
 23 January 1 ~~next--preceding. No~~ A mistake in the name of the
 24 owner or supposed owner of real property ~~however,--renders~~
 25 does not invalidate the assessment ~~invalid~~.

1 (2) The procedure provided by this section ~~may~~ does not
 2 apply to:

3 (a) motor vehicles that are required by 15-8-202 to be
 4 assessed on January 1 or upon their anniversary registration
 5 date;

6 (b) motor homes, travel trailers, and campers;

7 (c) watercraft;

8 (d) livestock;

9 (e) property defined in 61-1-104 as "special mobile
 10 equipment" that is subject to assessment for personal
 11 property taxes on the date that application is made for a
 12 special mobile equipment plate;

13 (f) mobile homes held by a distributor or dealer of
 14 mobile homes as ~~a-part-of-his~~ stock in trade; and

15 (g) property subject to the provisions of 15-16-203.

16 (3) Credits must be assessed as provided in
 17 15-1-101(1)(f)."

18 **Section 58.** Section 15-8-202, MCA, is amended to read:

19 "15-8-202. Motor vehicle assessment. (1) The department
 20 ~~or--its-agent-must~~ shall, in each year, ascertain and assess
 21 all motor vehicles, other than motor homes, travel trailers,
 22 and campers or mobile homes, in each county subject to
 23 taxation as of January 1 or as of the anniversary
 24 registration date of those vehicles as provided by law,
 25 subject to 61-3-313 through 61-3-316 and 61-3-501. The

assessment for all motor vehicles must be made in accordance with 61-3-503. The motor vehicles ~~shall~~ must be assessed in each year to the persons by whom owned or claimed or in whose possession or control they were at midnight of January 1 or the anniversary registration date thereof, whichever is applicable.

(2) No-tax A tax may not be assessed against motor vehicles subject to taxation that constitute inventory of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation brought into the state subsequent to January 1 as motor vehicle dealers' inventories ~~shall~~ must be assessed to their respective purchasers as of the dates the vehicles are registered by the purchasers.

(3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles, except as otherwise provided by 61-3-502.

(4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and new mobile homes, ~~shall~~ must be assessed at market value as of January 1."

Section 59. Section 15-8-205, MCA, is amended to read:

"15-8-205. Initial assessment of class four trailer and mobile home property -- when. The county-assessor department shall assess all class four trailer and mobile home property immediately upon arrival in the county if the taxes have not

been previously paid for that year in another county in Montana."

Section 60. Section 15-8-301, MCA, is amended to read:

"15-8-301. Statement -- what to contain. (1) The department ~~of-revenue-or-its-agent--must~~ may require from each a person a statement under oath setting forth specifically all the real and personal property owned by, ~~such--person--or~~ in his possession of, or under his the control of the person at midnight on January 1. Such The statement must be in writing, showing separately:

(a) all property belonging to, claimed by, or in the possession or under the control or management of such the person;

(b) all property belonging to, claimed by, or in the possession or under the control or management of any firm of which such the person is a member;

(c) all property belonging to, claimed by, or in the possession or under the control or management of any corporation of which such the person is president, secretary, cashier, or managing agent;

(d) the county in which such the property is situated or in which ~~it the property~~ is liable to taxation and, ~~if~~ liable to taxation in the county in which the statement is made, also the city, town, school district, road district, or other revenue districts in which ~~it the property~~ is

1 situated;

2 (e) an exact description of all lands, ~~in-parcels-or~~
3 ~~subdivisions-not-exceeding-640-acres-each-and--the--sections~~
4 ~~and--fractional--sections--of--all-tracts-of-land-containing~~
5 ~~more-than-640-acres--which--have--been--sectionized--by--the~~
6 ~~United---States---government,~~ improvements, and personal
7 property; ~~all---taxable---state,---county,---city,---or---other~~
8 ~~municipal--or--public--bonds--and--the--taxable-bonds-of-any~~
9 ~~person, firm, or corporation and--deposits--of--money,--gold~~
10 ~~dust,--or--other-valuables-and-the-names-of-the-persons-with~~
11 ~~whom-such-deposits-are-made-and-the-places-in-which-they-may~~
12 ~~be-found,--all-mortgages,--deeds--of--trust,--contracts,--and~~
13 ~~other--obligations--by--which--a--debt--is--secured--and-the~~
14 ~~property-in-the-county-affected-thereby;~~

15 ~~(f)---all-solvent-credits,--secured-or-unsecured,--due--or~~
16 ~~owing--to-such-person-or-any-firm-of-which-he-is-a-member-or~~
17 ~~due-or-owing-to-any-corporation-of-which--he--is--president,~~
18 ~~secretary, cashier, or managing agent;~~

19 ~~(g)(f)~~ all depots, shops, stations, buildings, and
20 other structures erected on the space covered by the
21 right-of-way and all other property owned by any person
22 owning or operating any railroad within the county.

23 (2) Whenever one member of a firm or one of the proper
24 officers of a corporation has made a statement showing the
25 property of the firm or corporation, another member of the

1 firm or another officer need is not required to include such
2 the property in the that person's statement made-by-him but
3 this the statement must show the name of the person or
4 officer who made the statement in which such the property is
5 included.

6 (3) The fact that such a statement is not required or
7 that a person has not made such a statement, under oath or
8 otherwise, does not relieve his the person's property from
9 taxation."

10 **Section 61.** Section 15-8-303, MCA, is amended to read:

11 "15-8-303. Statement to be completed and returned to
12 department's--agent department. The agent-of-the department
13 of-revenue-may--fill--out--the--statement--at--the--time--he
14 presents-it,--or-he may deliver it the statement specified in
15 15-8-301 to the person owning taxable property and require
16 him the person, within an appointed time, to return the same
17 to-him statement, properly filled out. The agent-must-either
18 in-person-or-by-mail-deliver-to department shall notify the
19 person making the statement a-copy-of-the-same,--showing of
20 any corrections made thereto by the agent department."

21 **Section 62.** Section 15-8-304, MCA, is amended to read:

22 "15-8-304. Enforcement powers of department. (1) The
23 department of-revenue-has-power-to may:

24 (a) require any person in the state to make and
25 subscribe an affidavit, giving his the person's name, and

place of residence, and post-office address;

(b) subpoena and examine any person in relation to any statement furnished to it the department or which any statement that discloses property which that is assessable in the state.

(2) The department may exercise this power in any county where, the person whom it desires to examine may be found but ~~has no power to~~ may not require such the person to appear before it in any other county other than that in which the subpoena is served.

~~{3}--in case such affidavit shows the residence--of--the person--making--the same--to be in any county other than that in which it is taken or the statement discloses property--in any--county--other--than--that--in--which--it--is--made, the department must, in the respective case, file the--affidavit or--statement in its office and transmit a copy of the same, certified by it, to its agent in the county--in--which--such residence or property is therein shown to be--"~~

Section 63. Section 15-8-307, MCA, is amended to read:

"15-8-307. Land assessment. (1) Band Except as provided in subsection (2), land must be assessed in parcels or subdivisions not exceeding 640 acres, and tracts of land containing more than 640 acres which that have been sectionized by the United States government must be assessed by sections or fractions of sections.

(2) If the department receives the written consent of all persons with an ownership interest, the department may assess multiple parcels or tracts of land with common ownership collectively as a single tract of land.

~~{2}{3}~~ The department of revenue or its agent must set aside one line in the assessment book for shall itemize in the property tax record the description of each 640 acres of land or less, the number of acres ~~to be entered in one column~~, the description ~~in--another--column~~, the value in ~~another--column~~ of the land, the value of improvements in ~~another column~~, and the total ~~in the total column~~ value. It must ~~also set aside a line in the assessment book for~~ The property tax record must itemize the description of each town or city lot, ~~the description to be entered in one column~~ and the value of the lot and any improvements thereon ~~in another column~~ on the lot, except that a lot and improvements thereon ~~shall~~ must be separately assessed when required under 15-8-111, ~~provided that~~ If all of the unimproved lots of the same value ~~situate are located in one block or belonging to are owned by the same party, the lots may be described and assessed in one line a single unit in the manner above provided prescribed for each lot. It is the intention hereby that each~~ Each parcel and lot ~~show in its own line and opposite must be segregated in the property tax record to correlate the description thereof of the~~

1 parcel or lot to the total value of the same parcel or lot
 2 and any improvements thereon on the parcel or lot."

3 **Section 64.** Section 15-8-402, MCA, is amended to read:

4 "15-8-402. Property of ~~a--firm-or-corporation~~ person.
 5 The property of every ~~firm-and-corporation~~ person must be
 6 assessed in the county where the property is situate located
 7 and must be assessed in the name of the ~~firm-or-corporation~~
 8 that person."

9 **Section 65.** Section 15-8-601, MCA, is amended to read:

10 "15-8-601. Assessment revision -- conference for
 11 review. (1) (a) Except as provided in subsection (1)(b),
 12 whenever the department ~~of--revenue~~ discovers that any
 13 taxable property of any person has in any year escaped
 14 assessment, been erroneously assessed, or been omitted from
 15 taxation, the department may assess the ~~same~~ property
 16 provided that the property is under the ownership or control
 17 of the same person who owned or controlled it at the time it
 18 escaped assessment, was erroneously assessed, or was omitted
 19 from taxation. All ~~such~~ revised assessments must be made
 20 within 10 years after the end of the calendar year in which
 21 the original assessment was or should have been made.

22 (b) Within the time limits set by 15-23-116, whenever
 23 the department discovers property subject to assessment
 24 under Title 15, chapter 23, that has escaped assessment,
 25 been erroneously assessed, or been omitted from taxation,

1 the department may issue a revised assessment to the person,
 2 firm, or corporation who owned the property at the time it
 3 escaped assessment, was erroneously assessed, or was omitted
 4 from taxation, regardless of the ownership of the property
 5 at the time of the department's revised assessment.

6 (2) ~~Whenever~~ When the department ~~or-its-agent~~ proposes
 7 ~~to increase-the-valuation-of-locally-assessed-property-above~~
 8 ~~the--value~~ revise the statement reported by the taxpayer
 9 under 15-8-301, the action of the department is subject to
 10 the notice and conference provisions of this section.
 11 Revised assessments of centrally assessed property are
 12 subject to review pursuant to 15-1-211.

13 (3) (a) Notice of revised assessment pursuant to this
 14 section ~~shall~~ must be made by the department ~~or-its-agent~~ by
 15 postpaid letter addressed to the person interested within 10
 16 days after the revised assessment has been made. If the
 17 property is locally assessed, the notice ~~shall~~ must include
 18 the opportunity for a conference on the matter, at the
 19 request of the person interested, not-less-than within 15 or
 20 more-than-30 days after notice is given.

21 (b) An assessment revision review conference is not a
 22 contested case as defined in the Montana Administrative
 23 Procedure Act. The department shall keep minutes in writing
 24 of each assessment revision review conference, which and the
 25 minutes are public records.

(c) Following an assessment revision review conference or expiration of the opportunity therefor for a conference, the department shall order such an assessment as it considers proper. Any party to the conference aggrieved by the action of the department may appeal to the county tax appeal board at its next meeting.

(4) The department ~~must record in a book to be kept for that purpose all changes, corrections, and orders made by it and must direct its agent to~~ shall enter upon the assessment book in the property tax record all changes and corrections made by it.

~~{5}--Immediately upon receipt of a--revised--assessment, the--county--official--possessing--the--assessment-roll-book shall--enter--the--revised--assessment;--if--the--revised assessment--corrects--an--original--assessment, the previous entry shall be canceled upon order of the department."~~

Section 66. Section 15-8-701, MCA, is amended to read:

"15-8-701. Assessment--book Property tax record -- definition -- listing property in. (1) Unless the context clearly indicates otherwise, the term "assessment--book" "property tax record" means the record that is kept in each county by ~~the agent of the department of revenue~~ and which that contains the information described in subsection {3}(2). The term includes, records referred to as an "assessment book" or "assessment roll" and, in a county

~~wherein the assessment book in which the property tax record~~ is kept on a computer system, the information on the system analogous to the information described in subsection ~~{3}~~ (2).

~~{2}--The form of the assessment book must be as directed by the department;~~

~~{3}~~ (2) The department must shall prepare an assessment book a property tax record with appropriate headings, ~~alphabetically--arranged,~~ in which must be listed all property within the state and in which must be specified, in ~~separate columns under the~~ by an appropriate head heading:

(a) the name of the person to whom the property is assessed;

(b) land, by township, ~~range, section or fractional section, and when such land is not a United States land division or subdivision, by metes and bounds or other~~ description sufficient to identify it, ~~giving an estimate of the number of acres, not exceeding in each and every tract 640 acres,~~ the locality, and the improvements thereon on the land;

~~{c}--city and town lots, naming the city or town and the number of the lot and block, according to the system of numbering in such city or town, and the value of same with improvements thereon;~~

~~{d}~~ (c) all taxable personal property, showing the

1 number, kind, amount, and quality; but a failure to
2 enumerate in detail such the personal property does not
3 invalidate the assessment;

4 {e}{d} the assessed value of real estate other-than
5 city-or-town-lots;

6 {f}{e} the assessed value of city-and--town--lots--with
7 improvements thereon on land, except that a-lot land and
8 improvements thereon-shall must be separately listed when
9 required under 15-8-111;

10 {g}{f} the assessed value of improvements on real
11 estate assessed to persons other than the owners of the real
12 estate. Taxable improvements owned by a person, located upon
13 land exempt from taxation, shall must, as to the manner of
14 assessment, be assessed as other real estate upon--the
15 assessment--roll. No A value, however, may not be assessed
16 against the exempt land, nor-under-any-circumstances-may and
17 the land may not be charged with or--become and is not
18 responsible for the assessment made against any taxable
19 improvements located thereon on the land.

20 {h}{g} the assessed value of all taxable personal
21 property;

22 {+}{h} the school, road, and other revenue districts in
23 which each piece of property assessed is situated;

24 {j}{i} the total assessed value of all property;

25 {j} the taxable value of all property;

1 (k) the taxes and fees assessed against the property;
2 and

3 (l) the total of each type of tax, levy, and fee."

4 **Section 67.** Section 15-8-702, MCA, is amended to read:

5 "15-8-702. Persons desiring to be listed. Lands once
6 described on the assessment-book property tax record do not
7 need not to be described a second time, but any person
8 claiming the same land and desiring to be assessed therefor
9 for the land may have the person's name inserted with that
10 of the person to whom such the land is assessed."

11 **Section 68.** Section 15-8-704, MCA, is amended to read:

12 "15-8-704. Map book. The department of--revenue--must
13 shall make a--plat--of--the--various--blocks--within--any
14 incorporated-city-or-town-in-a-map-book-and-mark-thereon--in
15 each-subdivision-the-name-of maps showing public and private
16 land for each county and shall designate the person to whom
17 it the land is assessed."

18 **Section 69.** Section 15-8-707, MCA, is amended to read:

19 "15-8-707. Correction of defects in form-of--assessment
20 book property tax record. (1) At any time after the original
21 assessment is made and prior to a sale for delinquent taxes,
22 omissions, errors, or defects in form-in the assessment-book
23 property tax record may only be corrected by the:

24 {a} department of-revenue-or-its-agent;-or

25 {b}--county---assessor---or---county---treasurer---with

1 verification-from-the-department.

2 (2) If the correction involves an assessment of
3 property that is the subject of pending litigation with a
4 taxing jurisdiction within the county, the ~~consent--of--the~~
5 county attorney must be ~~obtained-before-any~~ notified of the
6 correction may-be-made."

7 **Section 70.** Section 15-8-709, MCA, is amended to read:

8 "15-8-709. Statement of changes to be sent to county
9 clerk and recorder. The department of-revenue shall transmit
10 to notify each county clerk and recorder a-statement of the
11 changes made by the department in the ~~assessment--book~~
12 property tax record of the county or any assessment
13 contained therein in the property tax record, which ~~shall-be~~
14 changes are prima facie evidence of the regularity of all
15 proceedings of the department resulting in the action which
16 that is the subject matter of the statement."

17 **Section 71.** Section 15-8-710, MCA, is amended to read:

18 "15-8-710. ~~Assessment-and-delinquent-books~~ Property tax
19 record prima facie evidence. The ~~assessment--book~~ property
20 tax record or delinquent list or a copy thereof of either
21 certified by the county ~~clerk-and-recorder~~ treasurer showing
22 unpaid taxes against any person or property is prima facie
23 evidence of the assessment, the property assessed, the
24 delinquency, the amount of taxes due and unpaid, and that
25 all the forms of the law in relation to the assessment and

1 levy of such the taxes have been complied with."

2 **Section 72.** Section 15-9-101, MCA, is amended to read:

3 "15-9-101. Department to equalize valuations --
4 hearing. (1) The department of--revenue shall adjust and
5 equalize the valuation of taxable property among the several
6 counties, and between the different classes of taxable
7 property in any county and in the several counties, and
8 between individual taxpayers, ~~supervise-and-review-the-acts~~
9 ~~of-agents-of-the-department, change, increase, or decrease~~
10 ~~valuations--made--by-its-agents, and exercise-such-authority~~
11 and shall do all things necessary to secure a fair, just,
12 and equitable valuation of all taxable property among
13 counties, between the different classes of property, and
14 between individual taxpayers.

15 (2) The department may hold a public hearing to
16 determine the value of any class of property in any county
17 and ~~shall-have-authority-to~~ may raise or lower the value of
18 any class of property on the basis of testimony adduced at
19 such the hearing.

20 (3) Upon At the hearing of--the--application, the
21 department may subpoena such witnesses, and hear and take
22 ~~such evidence in-relation-to-the-subject-pending~~ as in its
23 discretion it ~~may-deem~~ considers proper."

24 **Section 73.** Section 15-9-103, MCA, is amended to read:

25 "15-9-103. Department to use records in equalizing. The

department ~~of--revenue--must~~ shall use the abstract and all other information it may gain from the records of the county clerk and recorder or elsewhere in equalizing the assessment of the property of each county and ~~may--require--entry--upon the--assessment--book--of~~ shall enter in the property tax record any property ~~which that~~ has not been assessed. Any ~~assessment--made--as-prescribed-in-this-section-has-the-same force-and-effect-as-if--made--before--the--delivery--of--the assessment-book-to-the-county-clerk--~~

Section 74. Section 15-10-202, MCA, is amended to read:

"15-10-202. Certification of taxable values and millage rates. ~~At-the-time-that-the-assessment-roll-is-prepared-and published~~ By the second Monday in July, the department of ~~revenue--or-its-agent~~ shall certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. The department ~~or-its-agent~~ shall also send to each taxing authority a written statement of its best estimate of the total assessed value of all new construction and improvements not included on the previous ~~assessment~~ roll property tax record and the value of deletions from the previous ~~assessment-roll~~ property tax record. Exclusive of new construction, improvements, and deletions, the department ~~or--its--agent~~ shall certify to each taxing authority a millage rate ~~which that~~ will provide the same ad valorem revenue for each taxing authority as was levied

during the prior year. For the purpose of calculating the certified millage, the department ~~or-its-agent~~ shall use 95% of the taxable value appearing on the ~~roll~~ property tax record, exclusive of properties appearing for the first time ~~on-the-assessment-roll~~ in the property tax record."

Section 75. Section 15-10-203, MCA, is amended to read:

"15-10-203. Increase of tax revenue -- advertisement of intention and public hearing required. (1) No A local taxing authority may not budget an increased amount of ad valorem tax revenue in excess of the property tax revenue it received the previous fiscal year exclusive of revenue from ad valorem taxation on properties appearing for the first time on the ~~assessment-roll~~ property tax record unless it adopts a resolution to budget additional property tax revenue. Prior to adoption of the resolution, the taxing authority shall hold a public hearing for the purpose of receiving comments on its intention to budget increased property tax revenue. The taxing authority shall advertise notice of the public hearing as specified in subsection (2). The public hearing may be held in conjunction with the tentative budget hearing or any other budget hearing that may be required by law.

(2) The taxing authority shall advertise its intent to budget an increase in property tax revenue in a newspaper meeting the requirements of 7-1-4127, except that the

1 newspaper may not be primarily in the business of publishing
 2 legal advertisements. If there is no newspaper in the
 3 county, in addition to being posted as required in 7-1-4127,
 4 the advertisement must be published in one or more
 5 newspapers of general circulation widely subscribed to by
 6 the residents of the county. The advertisement may not be
 7 placed in that portion of the newspaper where legal notices
 8 and classified advertisements appear. The advertisement must
 9 meet the notice requirements of 7-1-4128. The advertisement
 10 must be published with at least the following information:

11 NOTICE OF BUDGET INCREASE FROM PROPERTY TAXES

12 The (name of the taxing authority) intends to budget an
 13 increase in revenue from property taxation by (percentage of
 14 increase in property tax revenue from previous fiscal year)
 15 percent.

16 All concerned persons are invited to attend a public
 17 hearing on budgeting the increased property tax revenue to
 18 be held on (date and time) at (meeting place).

19 A decision on budgeting the increased property tax
 20 revenue will be made after considering comments made at this
 21 hearing.

22 For further information please contact: (name, address,
 23 and phone number of person who can be contacted for further
 24 information)."

25 **Section 76.** Section 15-10-205, MCA, is amended to read:

1 "15-10-205. Approval and copies of resolution or
 2 ordinance. The resolution or ordinance approved in the
 3 manner provided for in this part shall must be forwarded to
 4 the assessor, county treasurer, and the department of
 5 revenue. ~~No--millage~~ Millage in excess of the department's
 6 certified millage can may not be levied until the resolution
 7 or ordinance to levy required in ~~subsections-(1)-and-(2)--of~~
 8 15-10-204 is approved by the governing board of the taxing
 9 authority and submitted to the ~~assessor-and-the~~ department."

10 **Section 77.** Section 15-10-206, MCA, is amended to read:

11 "15-10-206. Exceptions for decisions of tax appeal
 12 boards. The department ~~or-its-agent~~ shall notify each taxing
 13 authority of any change in the ~~assessment--roll--which~~
 14 property tax record that results from actions by the state
 15 or county tax appeal boards. An increase in the taxing
 16 authority's millage above that the millage certified by the
 17 department ~~or--its--agent~~ or adopted by resolution or
 18 ordinance of the governing body of the taxing authority
 19 ~~which that~~ is required solely by a reduction of the
 20 ~~assessment--roll~~ property tax record by the state or county
 21 tax appeal board may be adopted without further notice."

22 **Section 78.** Section 15-10-305, MCA, is amended to read:

23 "15-10-305. Department Clerk and recorder to report
 24 mill levy -- department to compute and enter taxes --
 25 affidavit. (1) The county clerk and recorder shall by the

1 third Monday in August notify the department of the number
 2 of mills needed to be levied for each taxing jurisdiction in
 3 the county. The department of revenue or its agent must then
 4 shall compute the taxes by multiplying the number of mills
 5 times the taxable value of the property to be taxed and
 6 shall add any fees or assessments required to be levied
 7 against a person owning property. All taxes, fees, and
 8 assessments must be itemized for the property listed in the
 9 property tax record. and enter in a separate money column in
 10 the assessment book the respective sums in dollars and
 11 cents, rejecting the fractions of a cent, to be paid as a
 12 tax on the property therein enumerated and foot up the
 13 columns showing the total amount of such taxes and the
 14 columns of total value of property in the county and shall
 15 attach thereto his affidavit, by him subscribed as follows
 16 and shall on or before the second Monday of October deliver
 17 the completed assessment book to the county clerk and
 18 recorder:

19 "I, _____, an agent of the department of revenue, do
 20 swear that I have reckoned the respective sums due as taxes
 21 and have added up the columns of valuations, taxes, and
 22 acreage as required by law, and the assessment book to which
 23 this affidavit is affixed is full, true, and correct and
 24 made in the manner prescribed by law."

25 (2) The department shall complete the computation of

1 the amount of taxes, fees, and assessments to be levied
 2 against the property and shall notify the county clerk and
 3 recorder and the county treasurer by the second Monday in
 4 October."

5 **Section 79.** Section 15-15-101, MCA, is amended to read:

6 "15-15-101. County tax appeal board -- meetings and
 7 compensation. (1) The board of county commissioners of each
 8 county shall appoint a three-member county tax appeal board,
 9 with the members to serve staggered terms of 3 years each.
 10 The members of each county tax appeal board ~~shall~~ must be
 11 residents of the county in which they serve. ~~They shall~~ The
 12 members receive compensation of \$45 a day and travel
 13 expenses, as provided for in 2-18-501 through 2-18-503, only
 14 when the county tax appeal board is in session to hear
 15 taxpayers' appeals from property tax assessments or when
 16 they are attending meetings called by the state tax appeal
 17 board. Travel expenses and compensation must be paid from
 18 the appropriation to the state tax appeal board. Office
 19 space and equipment for the county tax appeal boards must be
 20 furnished by the county. All other incidental expenses must
 21 be paid from the appropriation of the state tax appeal
 22 board.

23 (2) The county tax appeal board shall hold an
 24 organizational meeting each year on the date of its first
 25 scheduled hearing, immediately before conducting the

business for which the hearing was otherwise scheduled. It ~~must~~ shall continue in session from time to time to hear protests concerning assessments made by the department of revenue until the business of hearing protests is disposed of, but, except as provided in 15-2-201, not later than 60 days after the department of-revenue-or-its-agent:

(a) has mailed notice of classification and appraisal to all property owners and purchasers under contracts for deed as required in 15-7-102; and

(b) has notified the county tax appeal board that classification and appraisal notices have been mailed to all property owners and purchasers under contracts for deed.

(3) In connection with an appeal, the county tax appeal board may change any assessment or fix the assessment at some other level. The county clerk and recorder shall publish a notice to taxpayers, giving the time the county tax appeal board will meet to hear protests concerning assessments and the latest date the county tax appeal board may take applications for the hearings. The notice must be published in a newspaper if any is printed in the county or, if none, then in the manner that the county tax appeal board directs. The notice must be published at least 7 days prior to the first meeting of the county tax appeal board.

(4) Challenges to a department of--revenue rule governing the assessment of property or to an assessment

procedure apply only to the taxpayer bringing the challenge and may not apply to all similarly situated taxpayers unless an action is brought in the district court as provided in 15-1-406."

Section 80. Section 15-15-102, MCA, is amended to read:

"15-15-102. Application for reduction in valuation. The valuation of property may not be reduced by the county tax appeal board unless either the taxpayer or the taxpayer's agent makes and files a written application for reduction with the county tax appeal board. The application must be filed on or before the first Monday in June or 15 days after receiving either a notice of classification and appraisal or determination after review under 15-7-102(3) from the department of-revenue-or-its-agent, whichever is later. If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for review was filed with the department. The application must state the post-office address of the applicant, specifically describe the property involved, and state the facts upon which it is claimed the reduction should be made."

Section 81. Section 15-15-103, MCA, is amended to read:

"15-15-103. Examination of applicant -- failure to hear application. (1) Before the county tax appeal board grants any application or makes any reduction applied for, it must shall examine on oath the person or agent making the application, touching the value of the property of each person. No A reduction must may not be made unless such person-or-agent the applicant makes an application, as provided in 15-15-102, and attends and answers all questions pertinent to the inquiry. The testimony of all witnesses upon-such at the hearing must be taken in shorthand or by stenotype or electronically recorded and preserved for 1 year. If the decision of the county tax appeal board is appealed, all testimony must be transcribed or otherwise reduced to writing and forwarded, together with all exhibits, to the state tax appeal board. The date of hearing, the proceedings before the board, and the decision must be entered upon the minutes of the board, and the board shall notify the applicant of its decision by mail within 3 days thereafter. A copy of the minutes of the county tax appeal board must be transmitted to the state tax appeal board no later than 3 days after the board holds its final hearing of the year.

(2) If a county tax appeal board refuses or fails to hear a taxpayer's timely application for a reduction in valuation of property, the taxpayer's application is

considered to be granted on the day following the board's final meeting for that year. The county-treasurer department shall enter the appraisal or classification sought in the application in the assessment-book property tax record. An application is not automatically granted for the following appeals:

(a) those listed in 15-2-302; and

(b) if a taxpayer's appeal from the department's determination of classification or appraisal made pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the board during its current 60-day session."

Section 82. Section 15-16-101, MCA, is amended to read:

"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the receipt of the assessment-book property tax record, the county treasurer must shall publish a notice specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 next-thereafter or within 30 days after the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from and-after-such the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next May 31 ~~next-thereafter~~ and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% per month from ~~and--after--such~~ the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(c) the time and place at which payment of taxes may be made.

(2) ~~He must~~ The county treasurer shall send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice ~~shall~~ must include:

(a) the taxable value of the property;

(b) the total mill levy applied to that taxable value;

(c) the value of each mill in that county;

(d) itemized city services and special improvement district assessments collected by the county;

(e) the number of the school district in which the property is located; and

(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and other tax.

(3) The municipality shall, upon request of the county

treasurer, provide the information to be included under subsection (2)(d) ready for mailing.

(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish or post notices does not relieve the taxpayer from any ~~of--his~~ liabilities tax liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."

Section 83. Section 15-16-104, MCA, is amended to read:

"15-16-104. Entry of payment -- receipt. (1) The county treasurer ~~must~~ shall note the date and the amount of the payment of any tax in the assessment-book property tax record opposite the name of the person paying.

(2) (a) Except as provided in subsection (2)(b), he ~~must~~ the county treasurer shall give a receipt to the person paying any tax, specifying the amount of the assessment and the tax paid, with a description of the property assessed.

(b) If the payment is received through the mail or by any electronic means, the county treasurer ~~must~~ shall issue a receipt only on request of the person paying the tax. If the county treasurer issues a receipt, it must contain the information specified in subsection (2)(a)."

Section 84. Section 15-16-105, MCA, is amended to read:

"15-16-105. When property assessed more than once. When the county treasurer discovers that any property has been assessed more than once for the same year, he ~~must the~~ county treasurer shall collect only the tax justly due and ~~make-return-of-the-facts-under-affidavit-to-the-county-clerk~~ and-recorder report that fact to the department."

Section 85. Section 15-16-115, MCA, is amended to read:

"15-16-115. Treasurer's record of personal property taxes paid. (1) On or before December 1 of each year, the county treasurer shall note on the assessment-book property tax record, opposite the name of each person from whom taxes have been collected ~~by-him-in-pursuance-of-the-report-of-the~~ assessor, the amount of taxes received and the date of receipt.

(2) If the taxes have not been collected, the treasurer shall note in the assessment-book property tax record the reason why collection was not made."

Section 86. Section 15-16-117, MCA, is amended to read:

"15-16-117. Personal property -- treasurer's duty to collect certain taxes. (1) The county treasurer shall demand payment of poor fund taxes, authorized by 53-2-322, and road taxes, authorized by 7-14-2206 or 7-14-2501 through 7-14-2504, of every person liable for the taxes whose name does not appear on the ~~assessment-lists~~ property tax record. On the neglect or refusal of a person to pay the taxes, the

treasurer shall collect the taxes by seizure and sale of any property owned by the person.

(2) These taxes must be added ~~upon-the-assessment-lists~~ in the property tax record to other property taxes of persons paying taxes upon real and personal property and must be paid to the county treasurer at the time of payment of other taxes.

(3) The procedure for the sale of property by the county treasurer for the taxes ~~must--be~~ is regulated by ~~15-16-119~~ [section 160] and 15-17-911.

(4) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 87. Section 15-16-203, MCA, is amended to read:

"15-16-203. Assessment of property previously exempt.

(1) Real property or improvements exempt from taxation under Title 15, chapter 6, that during a taxable tax year become the property of a person subject to taxation must be assessed and taxed from the date of change from a nontaxable status to a taxable status.

(2) As provided in subsection (3), the county treasurer shall adjust the tax that would have been due and payable for the current year on the property under 15-16-102 ~~had if~~ the property was not been exempt.

(3) To determine the amount of tax due for previously exempt property, the county treasurer shall multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property will be in taxable status bears to 365.

(4) If the property has not been assessed and taxed during the taxable year because of exemption, the department of-revenue-or-its-agent shall prepare a special assessment for the property and the county treasurer shall determine the amount of taxes that would have been due under subsection (2).

(5) Upon determining the amount of tax due, the county treasurer shall notify the person to whom the tax is assessed, in the same manner as notification is provided under 15-16-101(2), of the amount due and the date or dates on which the taxes due are payable as provided in 15-16-102."

Section 88. Section 15-16-302, MCA, is amended to read:

"15-16-302. Tabulation and transmittal of real property delinquent list. (1) The county treasurer must shall, at the time specified in 15-16-301, deliver to the county clerk and recorder a complete delinquent list of all persons and property--then owing taxes and the property on which the taxes are owed.

(2) In the list so-delivered, all matters and things contained in the assessment--book-and property tax record relating to delinquent persons or property must be set down in numerical or alphabetical order.

(3) The county clerk and recorder must shall carefully compare the list with the assessment--book property tax record, and if satisfied that it the list contains a full and true statement of all taxes due and unpaid, he-must the county clerk and recorder shall total the amount of taxes remaining unpaid, credit the county treasurer therewith with that amount, make a final settlement with the treasurer of all taxes charged against the treasurer on the assessment book property tax record, and require from the treasurer an immediate account for any existing deficiency."

Section 89. Section 15-16-305, MCA, is amended to read:

"15-16-305. Disposition of delinquent list. (1) On the third Tuesday of February, the county clerk and recorder must shall compare the lists with the assessments of persons and property not marked shown as "paid" on the assessment book property tax record. If the taxes have been paid, the county clerk and recorder must shall note the fact in the appropriate column-in-the-assessment--book section of the property tax record.

(2) The county clerk and recorder must shall then administer to the county treasurer an oath, to be written

and subscribed in the delinquent list, that every person and all property assessed in the delinquent list on which taxes have been paid have been credited in the list with such the payment.

(3) The county clerk and recorder ~~must~~ shall then total the amount of taxes remaining unpaid and credit the treasurer with the amount and have a final settlement with the treasurer. The delinquent list must remain in the county clerk and recorder's office.

(4) At the time mentioned in subsection (1) ~~of this section~~, the treasurer ~~must~~ shall make an affidavit, endorsed on the list, that the taxes not marked "paid" have not been paid and that ~~he the treasurer~~ has not been able to discover any property belonging to or in possession of the persons liable to pay the ~~sum--whereof~~ taxes to collect them."

Section 90. Section 15-16-402, MCA, is amended to read:

"15-16-402. Tax on personal property lien on realty -- separate assessment -- filing of mortgage satisfaction. (1) The tax due upon on personal property is a prior lien upon ~~any-or-all-of~~ the personal property. The lien has precedence over any other lien, claim, or demand upon the personal property. Except as provided in subsection (2), the tax upon on personal property is also a lien upon the real property of the owner ~~thereof~~ of the personal property on and after

January 1 of each year.

(2) The taxes ~~upon on~~ on personal property based ~~upon on~~ on a taxable value up to and including \$10,000 are a first and prior lien upon the real property of the owner of the personal property. Taxes ~~upon on~~ on personal property based ~~upon-the on a~~ on a taxable value thereof in excess of \$10,000 are a first and prior lien upon the real property of the owner unless the owner or holder of any mortgage or other lien upon the real property appearing of record in the office of the clerk and recorder of the county where the real property is situated, at or before the time the personal property tax attached ~~thereto to the real property~~, has filed a notice as provided in subsection (3). If the notice is filed, the personal property taxes ~~upon on~~ on the taxable value in excess of \$10,000 are not a lien ~~on upon~~ on the owner's real property. The county treasurer shall, at the request of a mortgagee or lienholder, issue a statement of the personal property tax due ~~upon on~~ on the taxable value up to and including \$10,000. Personal property taxes ~~upon on~~ on a taxable value up to \$10,000 may be paid, redeemed from a tax sale as ~~by-law~~ provided by law, or discharged separately from any personal property taxes in excess of ~~such that~~ that amount. Payment of the taxes ~~upon on~~ on a taxable value up to \$10,000, as provided in this subsection, ~~shall-operate-to~~ discharge the tax lien upon the personal property of the owner to the extent of

1 such the payment in the order that the person paying such
2 the tax shall-direct directs.

3 (3) The holder of any mortgage or lien upon real
4 property who desires to obtain the benefits of this section
5 shall file each year in the office of the county treasurer
6 of said the county and with the department a notice giving:

7 (a) the name and address of the mortgagee and holder of
8 the mortgage or lien;

9 (b) the name of the reputed owner of the land;

10 (c) the description of the land;

11 (d) the date of record and expiration of the mortgage
12 or lien;

13 (e) the amount thereof of the mortgage or lien; and

14 (f) a statement that he the holder claims the benefit
15 of the provisions of this section.

16 (4) Such The notice shall-be is ineffectual as to any
17 taxes which--shall-have-become that are a lien on upon real
18 property prior to the filing of such the notice as provided
19 in subsection (3).

20 (5) Any--owner A holder of a mortgage on real property
21 upon which personal property taxes are by a lien under this
22 section made--a-lien, where when the owner of such the real
23 property and personal property has failed to pay taxes due
24 upon--such on the real property and personal property for 1
25 or more years, may file with the department of--revenue--or

1 its--agent-in-the-county-in-which-such-property-is-located a
2 written request to have the personal property and real
3 property of the owner separately assessed. Such The request
4 must be made by registered-or certified mail at least 10
5 days prior to January 1 in the year for which property is
6 assessed. Upon receipt by the department or--its--agent of
7 such the request, it-is-the-duty-of the department or-its
8 agent-to shall make a separate assessment of real and
9 personal property of the owner thereof of the property, and
10 such the personal property taxes shall may not be a lien
11 upon the mortgaged real property so-mortgaged-of-the-owner
12 thereof--and-the. The personal property taxes shall must be
13 collected in the manner provided by law for other personal
14 property.

15 (6) The holder of a mortgage or lien upon real property
16 who files a certificate of satisfaction and the proof and
17 acknowledgment thereof of filing the certificate, as
18 provided for in 71-1-211, shall file a copy of the
19 certificate and the proof and acknowledgment with:

20 (a) the county treasurer if the holder has filed a
21 notice under subsection (3); and

22 (b) the department of--revenue--or--its--agent--in--the
23 county--in--which-the-real-property-is-located if the holder
24 has filed a written request under subsection (5).

25 (7) The provisions of this section do not apply to

property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 91. Section 15-16-504, MCA, is amended to read:

"15-16-504. Evidence at trial. On the trial, a certified copy of the assessment signed by the county clerk and recorder of the county where the assessment was made, with the affidavit of the county treasurer thereto--~~attached~~ that the tax has not been paid attached to the copy, describing it the assessment as on the ~~assessment--book~~ property tax record or delinquent list, is prima facie evidence that the taxes, plus interest, penalties, and costs, are due and entitles him the county to judgment unless the defendant proves that the tax was paid."

Section 92. Section 15-16-611, MCA, is amended to read:

"15-16-611. Reduction of property tax for property destroyed by natural disaster -- proration of taxes on replaced property. (1) The department of revenue shall, upon showing by a taxpayer that some or all of the improvements on ~~his~~ the taxpayer's real property, or that a trailer or mobile home, or that personal property taxed under Title 15, chapter 6, part 1, has been destroyed to such an extent that the improvements or personal property has been rendered unsuitable for its previous use by natural disaster, adjust the taxable value on the property, accounting for the

destruction.

(2) The county treasurer shall adjust the tax due and payable for the current year on the property under 15-16-102 or on personal property under ~~15-16-113~~ [section 160] or 15-24-202 as provided in subsection (3) of this section.

(3) To determine the amount of tax due for destroyed property, the county treasurer shall:

(a) multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property existed before destruction bears to 365; and

(b) multiply the amount of tax levied and assessed on the adjusted taxable value of the property for the remainder of the year by the ratio that the number of days remaining in the year after the destruction of the property bears to 365.

(4) This section does not apply to delinquent taxes owed on the destroyed property for a year prior to the year in which the property was destroyed.

(5) A taxpayer receiving a reduction in taxes on personal property under this section shall notify the department if he the taxpayer replaces the destroyed personal property in the same tax year that the personal property was destroyed. The tax on the personal property replacing the destroyed personal property must be prorated

1 according to the ratio that the number of days remaining in
2 the year after the property was replaced bears to 365. A
3 taxpayer who fails to notify the department within 30 days
4 from the date of the replacement of the personal property is
5 subject to the penalty prescribed in 15-1-303.

6 (6) For the purposes of this section, "natural
7 disaster" includes but is not limited to fire, flood,
8 earthquake, or wind. A fire is considered a natural disaster
9 regardless of the origin of the fire. However, if the
10 taxpayer is convicted of arson for burning the property,
11 property taxes may not be adjusted. If they the taxes had
12 already been adjusted prior to the conviction, the original
13 amount must be collected."

14 **Section 93.** Section 15-17-124, MCA, is amended to read:

15 "15-17-124. Irregular assessment. If the county
16 treasurer discovers, prior to the tax sale, that property on
17 which the taxes are delinquent has been irregularly
18 assessed, he the county treasurer may not offer the property
19 or a property tax lien for sale. ~~In such event, the~~ The
20 taxes on the property must be listed on the assessment--book
21 property tax record as uncollected for the year in which
22 they were due, and they must be assessed and collected
23 during the succeeding year as taxes are regularly assessed
24 and collected."

25 **Section 94.** Section 15-17-317, MCA, is amended to read:

1 "15-17-317. Municipality as purchaser. Whenever
2 property that has been struck off to the county at a tax
3 sale under 15-17-214, is subject to the lien of delinquent
4 special assessments, and has not been assigned under
5 15-17-214 or 15-17-323, at the request of the municipality,
6 the county treasurer shall assign all of the rights of the
7 county acquired therein in the property at the sale to the
8 municipality upon payment of any delinquent taxes (excluding
9 assessments) and costs, without penalty or interest. The
10 duplicate certificate of sale must be delivered to the
11 treasurer of the municipality ~~and filed by him in his office~~
12 , who shall file it. No A charge may not be made for the
13 duplicate certificate when the municipality is the
14 purchaser, and ~~in such case~~ the county treasurer shall make
15 an entry "sold to the municipality" on the ~~assessment--book~~
16 property tax record opposite the tax, ~~and he.~~ The county
17 treasurer must be credited with the delinquent amount
18 ~~thereof~~ in the settlement. Property sold to the municipality
19 must be held in trust by the municipality for the
20 improvement fund into which the delinquent special
21 assessments are payable."

22 **Section 95.** Section 15-17-911, MCA, is amended to read:

23 "15-17-911. Sale of personal property for delinquent
24 taxes -- fee -- disposition of proceeds -- unsold property.
25 (1) The tax on personal property may be collected and

1 payment enforced by the seizure and sale of any personal
2 property in the possession of the person assessed. Seizure
3 and sale are authorized at any time after the date the taxes
4 become delinquent or by the institution of a civil action
5 for its collection in any court of competent jurisdiction. A
6 resort to one method does not bar the right to resort to any
7 other method. Any of the methods provided may be used until
8 the full amount of the tax is collected.

9 (2) The provisions of ~~15-16-113~~ [section 160] and this
10 section apply to a seizure and sale under subsection (1).

11 (3) A sale under subsection (1) must be at public
12 auction.

13 (4) For seizing and selling personal property, the
14 county treasurer shall charge \$25, plus the mileage
15 allowance provided by law to the sheriff, plus reasonable
16 expenses for seizing, handling, keeping, or caring for any
17 property seized. The charge and other costs may be charged
18 only when property is actually seized and offered for sale
19 or sold.

20 (5) On payment of the price bid for any property sold
21 as provided in this section, delivery of the property, with
22 a bill of sale, vests the title of the property in the
23 purchaser.

24 (6) (a) After sale of the property, the proceeds of the
25 sale must be used first to reimburse the county for all

1 costs and charges incurred in seizing the property and
2 conducting the sale. Any excess, up to the total amount of
3 the taxes owed, must be distributed proportionally to the
4 funds that would have received the taxes if they had been
5 paid before becoming delinquent. Any remaining excess, up to
6 the amount of the penalty and interest owed, must then be
7 distributed proportionally to the fund that would have
8 received the penalty and interest if they had been paid in
9 full.

10 (b) Any money collected in excess of the delinquent
11 tax, penalties, interest, costs, and charges must be
12 returned to the person owning the property prior to the
13 sale, if known. If the person does not claim the excess
14 immediately following the sale, the treasurer shall deposit
15 the money in the county treasury for a period of 1 year from
16 the date of sale. If the person has not claimed the excess
17 within 1 year from the date of sale, the county treasurer
18 shall deposit the amount in the county general fund and the
19 person has no claim to it.

20 (7) Any property seized for the purpose of liquidating
21 a delinquency by a tax sale that remains unsold following a
22 sale may be left at the place of sale at the risk of the
23 owner.

24 (8) The provisions of this section do not apply to
25 property for which delinquent property taxes have been

1 suspended or canceled under the provisions of Title 15,
2 chapter 24, part 17.

3 (9) The county commission, in its discretion, may
4 cancel any personal property taxes, including penalty,
5 interest, costs, and charges that remain unsatisfied after
6 the property upon which the taxes were assessed had been
7 seized and sold. If the taxes are canceled, one copy of the
8 order of cancellation must be filed with the county clerk
9 and recorder and one copy with the county treasurer."

10 **Section 96.** Section 15-18-412, MCA, is amended to read:

11 "15-18-412. Procedure in tax deed quiet title action.

12 (1) Upon the hearing of the order to show cause, the court
13 has jurisdiction to determine the amount to be deposited and
14 to make an order that the same be paid to the court within a
15 period not exceeding 30 days after the order is made.

16 (2) (a) Except as provided in subsections (2)(b) and
17 (2)(c), if the amount is not paid within the time fixed by
18 the court, the true owner is considered to have waived any
19 defects in the tax proceedings and any right of redemption.
20 In the event of waiver, the true owner has no claim of any
21 kind against the state or purchaser and a decree must be
22 entered in the action quieting the title of the purchaser as
23 against the true owner.

24 (b) The proceedings are void if the taxes were not
25 delinquent or have been paid.

1 (c) A deposit is not required if the true owner is
2 found by the court to be indigent following an examination
3 into the matter by the court upon the request of a true
4 owner claiming to be indigent.

5 (3) If payment is made to the court and the true owner
6 is successful in the action and the tax proceedings are
7 declared void, the amount deposited with the court must be
8 paid to the purchaser.

9 (4) If the purported true owner is not successful in
10 the action and the title of the purchaser is sustained, the
11 money must be returned to the purported true owner.

12 (5) In any action brought by a purchaser to quiet
13 title, several tracts of land, whether contiguous or
14 noncontiguous or owned by different defendants, may be set
15 forth in one complaint. All persons claiming any title to,
16 interest in, or lien upon any of the premises or any part
17 thereof of the premises may be joined as defendants, even
18 though their claims are independent, are not in common, and
19 do not cover the same tracts. The procedure in such--an the
20 action must follow, as nearly as practicable, the procedure
21 specified in 70-28-101 through 70-28-109.

22 (6) In the final judgment, the court shall also
23 determine the rights resulting from any additional taxes on
24 the property accruing or being paid by either party during
25 the pendency of the suit.

(7) In the quiet title action, the court has complete jurisdiction to fix the amount of taxes that should have been paid, including penalties, interest, and costs, and to determine all questions necessary in granting full relief, including the power to order ~~any-assessor~~ the department or any other tax officer to make and certify to the court a corrected or new assessment or to do any other act necessary to enable the court to do complete justice. Errors may be reviewed on appeal from the final judgment."

Section 97. Section 15-23-104, MCA, is amended to read:

"15-23-104. Failure to file -- estimate by department -- penalty. (1) If any person fails to file a report or return within the time established in 15-23-103 or by such a later date approved by ~~as~~ the department ~~may--approve~~, the department shall estimate the value of the property to that should have been reported on the basis of the best available information. In estimating the value of the net proceeds of mines, the department shall proceed under 15-23-506, and in estimating the value of the gross proceeds of coal mines, the department shall proceed under 15-35-107. In estimating the value of all other property subject to assessment under parts 2 through 4 of this chapter, the department shall proceed under 15-1-303. In estimating value under this section, the department may subpoena a person or his the person's agent as specified in 15-1-302. An assessment

pursuant to parts 5 through 8 of this chapter based on estimated value or imputed value is subject to review under 15-1-211. ~~Each~~ For each month or part of a month that a report is delinquent, the department shall impose and collect a \$25 penalty, with the total not to exceed \$200, and shall deposit such the penalty to the credit of the general fund. The department ~~will-also-inform-its-agents--in~~ ~~the--counties-of-the-delinquency, and, except-as-provided-in~~ ~~subsection-(2), the-agents~~ shall assess a penalty of 1% of the tax due for each month or part of a month that the report is delinquent. The department shall notify the county treasurer of each affected county of the amount of the penalty, and the treasurer shall collect the penalty in the same manner as the taxes to which the penalty applies.

(2) For a delinquency in reporting under 15-23-212, the department shall assess a penalty of 1% of the tax due for each month or part of a month that the report is delinquent."

Section 98. Section 15-23-106, MCA, is amended to read:

"15-23-106. Transmission Report to the counties. (1) On or before July 1, the department shall ~~transmit-to-its-agent~~ in prepare for each county a statement listing:

(a) the assessed value of railroad property, as determined under 15-23-202, apportioned to the county, including the length or other description of the property;

(b) the assessed value of utility property, as determined under 15-23-303, apportioned to the county, including the length or other description of the property;

(c) the assessed value of property of airline companies, as determined under 15-23-403, apportioned to the county; 90% of the value of the property of airline companies apportioned to any county by reason of a state airport being located in the county must be stated separately from the remaining assessed value of the property of airline companies apportioned to the county;

(d) the assessed value of the net proceeds and royalties from mines and oil and gas wells in the county, as determined under 15-23-503, 15-23-505, 15-23-515, 15-23-516, 15-23-517, 15-23-603, and 15-23-605; and

(e) the assessed value of the gross proceeds from coal mines, as described in 15-23-701.

(2) The agent--of--the department shall enter the reported assessed values transmitted in the assessment--book in-a-manner-prescribed-by-the-department property tax record for the county."

Section 99. Section 15-23-107, MCA, is amended to read:

"15-23-107. Amended assessment ----transmission--to counties. Whenever the valuation of centrally assessed property is revised under 15-8-601 or 15-23-102(2), the department shall, within 15 days following the final

decision or order, transmit--a--statement--of--the--revised assessment--to--its--agent-or-the-county-officer-then-having custody-of-the-assessment-book-in-the enter the revision in the property tax record for each applicable county where-the property--is--located. The--revision--shall--be-immediately entered-in-the-assessment-book:"

Section 100. Section 15-23-115, MCA, is amended to read:

"15-23-115. Interest. If the department determines that a taxpayer has incorrectly reported a value under 15-23-502, 15-23-515, 15-23-516, 15-23-517, 15-23-602, 15-23-701, or 15-23-802,--the--department--shall--inform-its-agents-at-the county-level-of-the-determination, and if any an additional tax is due, there must be added to the tax until paid in full interest at the rate of 1% a month or fraction of a month from the date the original tax was due and payable. A taxpayer subject to imposition of interest pursuant to this section is not subject to the penalty and interest provisions contained in 15-16-102."

Section 101. Section 15-23-507, MCA, is amended to read:

"15-23-507. Taxation and payment on royalty interests. At the time of transmitting computing net proceeds assessments, the department of-revenue shall also transmit determine the royalty lists or schedules to-the-county

1 ~~assessor-of~~ for each county in which ~~such~~ the mines and
 2 mining claims are located. ~~Thereupon-the-county-assessor~~ The
 3 department shall prepare from ~~such~~ the net proceeds and
 4 royalty assessments a tax roll ~~which-shall~~ that must be by
 5 him furnished to the county treasurer on or before the
 6 following September 15 ~~following--as--specified--in--this~~
 7 section. ~~Said~~ Upon furnishing the tax roll, the taxes ~~shall~~
 8 be are due and payable. Assessments of royalty on production
 9 of metals and minerals other than petroleum and natural gas
 10 ~~shall~~ must be entered by the ~~county-assessor~~ department in
 11 the ~~personal~~ property ~~assessment-book~~ tax record in the name
 12 of the recipient or owner of ~~such~~ the royalty. The county
 13 treasurer shall ~~proceed-to~~ give full notice thereof of the
 14 assessment to ~~such~~ the recipient or royalty owner and to
 15 shall collect the taxes ~~thereon~~ in the same manner as taxes
 16 on net proceeds of mines. Taxes on ~~such~~ the royalty
 17 assessments and taxes on net proceeds of mines ~~shall-be~~ are
 18 payable at the times specified in 15-16-102, and any
 19 delinquencies in the payment ~~of-same-shall-be~~ are subject to
 20 the interest and penalties provided in 15-16-102."

21 **Section 102.** Section 15-23-607, MCA, is amended to
 22 read:

23 "15-23-607. ~~County---assessors~~ Department to compute
 24 taxes. (1) Immediately after the board of county
 25 commissioners has fixed tax levies on the second Monday in

1 August, the ~~county-assessor~~ department shall, subject to the
 2 provisions of 15-23-612, compute the taxes on net proceeds,
 3 as provided in subsection (2) of this section, and royalty
 4 assessments and shall ~~deliver-the-book~~ transmit the computed
 5 taxes to the county treasurer on or before September 15. The
 6 county treasurer shall proceed to give full notice of the
 7 assessments to the operator and shall collect the taxes as
 8 provided by law.

9 (2) For new production, as defined in 15-23-601, the
 10 ~~county--assessor~~ department may not levy or assess any mills
 11 against the value of the new production, but shall instead
 12 levy a tax as follows:

13 (a) for new production of petroleum or other mineral or
 14 crude oil, 7% of net proceeds, as described in 15-23-603(2);
 15 or

16 (b) for new production of natural gas, 12% of net
 17 proceeds, as described in 15-23-603(2).

18 (3) The amount of tax levied in subsections (2)(a) and
 19 (2)(b), divided by the appropriate tax rate and multiplied
 20 by 60%, must be treated as taxable value for county bonding
 21 purposes.

22 (4) The operator or producer is liable for the payment
 23 of the taxes that, except as provided in 15-16-121, are
 24 payable by and must be collected from the operators in the
 25 same manner and under the same penalties as provided for the

collection of taxes upon net proceeds of mines. However, the operator may ~~at-his-option~~ withhold from the proceeds of royalty interest, either in kind or in money, an estimated amount of the tax to be paid by him the operator upon the royalty or royalty interest. After the withholding, any deviation between the estimated tax and the actual tax may be accounted for by adjusting subsequent withholdings from the proceeds of royalty interests."

Section 103. Section 15-23-702, MCA, is amended to read:

"15-23-702. Transmission Entry of gross proceeds to ~~county--assessor in property tax record~~. On or before July 1 each year, the department shall ~~transmit--to--the--county assessor--of--each--county--in-which-coal-mines-are-situated~~ enter the valuation of the gross proceeds of such coal mines ~~for--the--purpose--of--taxation,--as--the--same--have---been determined--by-the-department in the property tax record for each county in which the mines are located. The--county assessor--shall--immediately--enter-the-same-upon-a-suitable assessment-roll,--the-form-of-which-shall--be--prescribed--by the-department--"~~

Section 104. Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds -- taxable value for bonding and guaranteed tax base aid to schools. (1) The

county-assessor department shall compute from the reported gross proceeds from coal a tax roll that ~~he-shall-transmit must be transmitted~~ to the county treasurer on or before September 15 each year. The county-assessor department may not levy or assess any mills against the reported gross proceeds of coal but shall levy a tax of 5% against the value of the reported gross proceeds as provided in 15-23-701(1)(d). The county treasurer shall proceed to give full notice to each coal producer of the taxes due and to collect the taxes as provided in 15-16-101.

(2) For bonding, county classification, and all nontax purposes, the taxable value of the gross proceeds of coal is 45% of the contract sales price as defined in 15-35-102(5).

(3) Except as provided in subsection (6), the county treasurer shall calculate and distribute to the state, county, and eligible school districts in the county the amount of the coal gross proceeds tax, determined by multiplying the unit value calculated in 15-23-705 times the tons of coal extracted, treated, and sold on which the coal gross proceeds tax was owed during the preceding calendar year.

(4) Except as provided in subsections (5), (6), and (8), the county treasurer shall credit the amount determined under subsection (3) and the amounts received under 15-23-706:

1 (a) to the state and to the counties that levied mills
2 in fiscal year 1990 against 1988 production in the relative
3 proportions required by the levies for state and county
4 purposes in the same manner as property taxes were
5 distributed in fiscal year 1990 in the taxing jurisdiction;
6 and

7 (b) to school districts in the county that either
8 levied mills in school fiscal year 1990 against 1988
9 production or used nontax revenue, such as Public Law 81-874
10 money, in lieu of levying mills against production, in the
11 same manner that property taxes collected or property taxes
12 that would have been collected would have been distributed
13 in the 1990 school fiscal year in the school district.

14 (5) (a) If the total tax liability in a taxing
15 jurisdiction exceeds the amount determined in subsection
16 (3), the county treasurer shall, immediately following the
17 distribution from taxes paid on May 31 of each year, send
18 the excess revenue, excluding any protested coal gross
19 proceeds tax revenues revenue, to the department for
20 redistribution as provided in 15-23-706.

21 (b) If the total tax liability in a taxing jurisdiction
22 is less than the amount determined in subsection (3), the
23 taxing jurisdiction is entitled to a redistribution as
24 provided by 15-23-706.

25 (6) The board of county commissioners of a county may

1 direct the county treasurer to reallocate the distribution
2 of coal gross proceeds taxes that would have gone to a
3 taxing unit, as provided in subsection (4)(a), to another
4 taxing unit or taxing units, other than an elementary school
5 or high school, within the county under the following
6 conditions:

7 (a) The county treasurer shall first allocate the coal
8 gross proceeds taxes to the taxing units within the county
9 in the same proportion that all other property tax proceeds
10 were distributed in the county in fiscal year 1990.

11 (b) If the allocation in subsection (6)(a) exceeds the
12 total budget for a taxing unit, the commissioners may direct
13 the county treasurer to allocate the excess to any taxing
14 unit within the county.

15 (7) The board of trustees of an elementary or high
16 school district may reallocate the coal gross proceeds taxes
17 distributed to the district by the county treasurer under
18 the following conditions:

19 (a) The district shall first allocate the coal gross
20 proceeds taxes to the budgeted funds of the district in the
21 same proportion that all other property tax proceeds were
22 distributed in the district in fiscal year 1990.

23 (b) If the allocation under subsection (7)(a) exceeds
24 the total budget for a fund, the trustees may allocate the
25 excess to any budgeted fund of the school district.

(8) The county treasurer shall credit all taxes collected under this part from coal mines that began production after December 31, 1988, in the relative proportions required by the levies for state, county, and school district purposes in the same manner as property taxes were distributed in the previous fiscal year."

Section 105. Section 15-23-704, MCA, is amended to read:

"15-23-704. Lien of tax -- enforcement of payment. The tax on gross proceeds from coal ~~shall~~ must be levied as taxes on other forms of property, and this tax and the severance tax on coal production are each a lien upon the coal mine and a prior lien upon all personal property and improvements used to produce the coal. These taxes may be collected by the seizure and sale of the personal property on which the tax is a lien as provided under ~~15-16-113~~ [section 160] and 15-17-911."

Section 106. Section 15-23-803, MCA, is amended to read:

"15-23-803. Valuation -- gross proceeds. On or before July 1 each year, the department shall determine the merchantable value of all metal production from the previous calendar year. The department shall ~~transmit-to-its-agent-in~~ each--county--where---metals---are---produced record the merchantable value ~~as-has-been-determined-by-the-department~~

~~for-placement-on-the-assessment-roll~~ in the property tax record after subtracting ~~such the~~ portion of the proceeds as ~~may-be~~ exempt from property taxation."

Section 107. Section 15-23-804, MCA, is amended to read:

"15-23-804. Taxation of merchantable value. The ~~department's---agent~~ department shall prepare from the reported valuation a tax roll ~~which---shall~~ that must be transmitted to the county treasurer on or before September 15 each year. The county treasurer shall proceed to give full notice ~~thereof~~ to each metal producer and to collect the taxes due at the times provided for in 15-16-102, and any delinquencies in the payment of ~~same-shall-be~~ the taxes are subject to the interest and penalties provided for in 15-16-102."

Section 108. Section 15-24-104, MCA, is amended to read:

"15-24-104. Situs in state of proportionally registered fleets -- collection of taxes and fees. (1) For the purposes of this part, any vehicle previously registered or ~~which~~ that has had application for registration made under the provisions of 61-3-711 through 61-3-733 ~~is-hereby-declared~~ to-have has a situs in the state for the purposes of taxation.

(2) The department or its designated agent shall

collect the personal property taxes, or license fees, or both, prescribed in this part."

Section 109. Section 15-24-302, MCA, is amended to read:

"15-24-302. Collection procedure. All property mentioned in 15-24-301 is assessed at the same value as property of like kind and character, and the assessment, levy, and collection of the tax are governed by the provisions of 15-8-408, ~~15-16-111~~ through [section 160], 15-16-115, 15-16-404, 15-17-911, and 15-24-202, as amended, except:

(1) taxation of motor vehicles under 15-24-301(4) to the extent that subsection varies from the general provisions cited ~~above~~ in this section; and

(2) livestock taxation governed by 81-7-104 and Title 81, chapter 7, part 2."

Section 110. Section 15-24-801, MCA, is amended to read:

"15-24-801. Savings and loan associations -- taxation. Every savings and loan association subject to regulation under Title 32, chapter 2, ~~shall~~ must be assessed for and pay taxes upon all real and personal property owned by the association. The secretary of an association shall furnish to the department ~~of revenue or its agent in the county in which the principal office of the association is located,~~

within 5 days after demand, a condensed statement, verified by his oath, of the resources and liabilities of the association as disclosed by its books at noon on January 1 in each year. If the secretary fails to make the statement hereby---required, the department ~~or its agent~~ shall immediately obtain the information from any other available source, and for this purpose it shall have access to the books of the association. The department ~~or its agent~~ shall thereupon make an assessment of the real estate and personal property owned by the association, ~~which assessment shall be in a manner that is~~ as fair and equitable as it may be able to make from the best information available, or the ~~assessor~~ department may, for the purpose of the assessment, adopt the figures disclosed by any prior report made by the association to any state or federal officer under a state or federal law. A person required by this section to make the statement provided for in this section who fails to furnish it is guilty of a misdemeanor."

Section 111. Section 15-24-901, MCA, is amended to read:

"15-24-901. Definition. As used in this part, "livestock" includes those animals ~~specified in~~ defined as livestock in 15-1-101 ~~{+}{+}~~."

Section 112. Section 15-24-902, MCA, is amended to read:

"15-24-902. Assessment of livestock. The department of revenue-or-its-agent shall assess all nonexempt livestock in each county where they are located on March January 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of March January 1 in that year."

Section 113. Section 15-24-903, MCA, is amended to read:

"15-24-903. Duty of owner to assist in assessment. (1) The owner of livestock, as defined in 15-24-901, or his the owner's agent, shall at the time of assessment ~~shall~~ make and deliver to the department of-revenue-or-its-agent-in for the county or counties where his the owner's livestock were located on March, a written statement, under oath, showing the listing the owner's different kinds of his livestock within the county or counties ~~belonging-to-him-or-under-his~~ charge, together with a listing of their marks and brands.

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 114. Section 15-24-904, MCA, is amended to read:

"15-24-904. Penalty for violation of law. If any

person, persons, company, or corporation who is the owner or has is in charge of any livestock within this state fails to make the statement or statements as provided in 15-24-903, the county-assessor department may, after 10 days' notice to the person who failed to file the report, increase the assessment by 10% as a penalty."

Section 115. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state -- notice to department of-revenue-or-its-agent. The owner or the agent, manager, or foreman supervisor of any person, corporation, or association bringing livestock into this state after March January 1 shall immediately after said the livestock cross the state line forward to the department of-revenue-or-its-agent-in-the-county-into-which-the-livestock-are-moved a registered--or certified letter, ~~which-letter-shall-contain~~ containing the name of the owner of such the livestock, the number thereof of livestock, the brand thereon on the livestock, and the ages of the same livestock, together-with the time and place at which said the livestock were brought across the state line, and the county or counties into which the livestock are moved, ~~provided-that-the~~ The department of livestock shall at least once each month furnish from its own records to the department of-revenue-or-its-agent-in-the county-into-which-such-livestock-are-moved a list of the

1 number and kind of livestock ~~so moved into each county,~~
 2 together with the name of the owner thereof of the
 3 livestock."

4 **Section 116.** Section 15-24-906, MCA, is amended to
 5 read:

6 "15-24-906. Collection of tax on livestock. The
 7 department ~~of-revenue-or-its-agent~~, upon receipt of such the
 8 letter provided for in 15-24-905 or other information that
 9 livestock has been brought into his a county from outside of
 10 the state after January 1 in any year, shall immediately
 11 proceed under the provisions of this part."

12 **Section 117.** Section 15-24-920, MCA, is amended to
 13 read:

14 "15-24-920. Election for proration of tax on livestock
 15 -- refunds -- additional assessment. (1) An owner of
 16 livestock who moves the livestock interstate may elect to
 17 have the nonexempt livestock taxed on a prorated basis.

18 (2) The owner shall file an election with the county
 19 assessor department:

20 ~~{a}~~ on the statement required in 15-24-903; ~~or~~

21 ~~{b}--if--the--livestock--have--taxable--situs--in--the--state~~
 22 ~~before-March-17-on-a-form-prescribed-by-the-department.~~ The
 23 statement must indicate the number of months the owner's
 24 livestock will be in the state.

25 (3) If a livestock owner elects to be taxed on a

1 prorated basis, the tax on livestock that are moved
 2 interstate must be prorated according to the ratio of the
 3 number of months the livestock have taxable situs in the
 4 county to the total number of months in the taxable year.
 5 Livestock must be prorated as provided in this section
 6 regardless of when the livestock gain taxable situs in the
 7 county during the taxable year.

8 (4) Subject to the provisions of 15-16-603 through
 9 15-16-605, a taxpayer whose nonexempt livestock are assessed
 10 under subsection (3) for a period longer than the actual
 11 number of months that the livestock have taxable situs in
 12 the state is entitled to a refund. The amount of the refund
 13 is equal to the difference between the original prorated
 14 amount paid and the subsequent amount owed after the actual
 15 number of tax situs months are determined at the end of the
 16 tax year. A taxpayer shall apply for a refund allowed under
 17 this subsection by January 31 following the year of
 18 assessment. The application must include a statement showing
 19 the date when the livestock were moved out of the state.

20 (5) A taxpayer whose nonexempt livestock are assessed
 21 under subsection (3) for a period shorter than the actual
 22 number of months that the livestock have taxable situs is
 23 subject to additional taxes for the number of additional
 24 months that the livestock has taxable situs in the state."

25 **Section 118.** Section 15-24-921, MCA, is amended to

1 read:

2 "15-24-921. Per capita tax levy to pay expenses of
3 enforcing livestock laws. (1) In addition to appropriations
4 made for such those purposes, a per capita tax is authorized
5 and directed to be levied by the county-assessor department
6 on all poultry and bees, all swine 3 months of age or older,
7 and all other livestock 9 months of age or older in each
8 county of this state for the purpose of aiding in the
9 payment of the salaries and all expenses connected with the
10 enforcement of the livestock laws of the state and for the
11 payment of bounties on wild animals as hereinafter-specified
12 provided in 81-7-104.

13 (2) As used in this section, "livestock" means cattle,
14 sheep, swine, poultry, bees, goats, horses, mules, asses,
15 llamas, alpacas, domestic bison, and domestic ungulates."

16 **Section 119.** Section 15-24-1402, MCA, is amended to
17 read:

18 "15-24-1402. New or expanding industry -- assessment --
19 notification. (1) In the first 5 years after a construction
20 permit is issued, qualifying improvements or modernized
21 processes that represent new industry or expansion of an
22 existing industry, as designated in the approving
23 resolution, must be taxed at 50% of their taxable value.
24 Each year thereafter, the percentage must be increased by
25 equal percentages until the full taxable value is attained

1 in the 10th year. In subsequent years, the property must be
2 taxed at 100% of its taxable value.

3 (2) (a) In order for a taxpayer to receive the tax
4 benefits described in subsection (1), the governing body of
5 the affected county or the incorporated city or town must
6 have approved by separate resolution for each project,
7 following due notice as defined in 76-15-103 and a public
8 hearing, the use of the schedule provided for in subsection
9 (1) for its respective jurisdiction. The governing body may
10 not grant approval for the project until all of the
11 applicant's taxes have been paid in full. Taxes paid under
12 protest do not preclude approval.

13 (b) The governing body may end the tax benefits by
14 majority vote at any time, but the tax benefits may not be
15 denied an industrial facility that previously qualified for
16 the benefits.

17 (c) The resolution provided for in subsection (2)(a)
18 must include a definition of the improvements or modernized
19 processes that qualify for the tax treatment that is to be
20 allowed in the taxing jurisdiction. The resolution may
21 provide that real property other than land, personal
22 property, improvements, or any combination thereof is
23 eligible for the tax benefits described in subsection (1).

24 (3) The taxpayer shall apply to the county-assessor-on
25 a-form-provided-by-the department of--revenue for the tax

treatment allowed under subsection (1). The application by the taxpayer must first be approved by the governing body of the appropriate local taxing jurisdiction, and the governing body shall indicate in its approval that the property of the applicant qualifies for the tax treatment provided for in this section. Upon receipt of the form with the approval of the governing body of the affected taxing jurisdiction, the assessor department shall make the assessment change pursuant to this section.

(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. ~~In no case may the~~ The benefit described in subsection (1) may not apply to levies or assessments required under Title 15, chapter 10, 20-9-331, 20-9-333, or 20-9-360, or otherwise required under state law.

(5) Prior to approving the resolution under this section, the governing body shall notify by certified mail all taxing jurisdictions affected by the tax benefit."

Section 120. Section 15-24-1501, MCA, is amended to read:

"15-24-1501. Remodeling, reconstruction, or expansion

of buildings or structures -- assessment provisions -- levy limitations. (1) Subject to the authority contained in subsection (4), remodeling, reconstruction, or expansion of existing buildings or structures, which increases their taxable value by at least 2 1/2% as determined by the department of--revenue--or--its--agents, may receive tax benefits during the construction period and for the following 5 years in accordance with subsections (2) through (4) and the following schedule. The percentages ~~shall~~ must be applied as provided in subsections (3) and (4) and are limited to the increase in taxable value caused by remodeling, reconstruction, or expansion:

Construction period	0%
First year following construction	20%
Second year following construction	40%
Third year following construction	60%
Fourth year following construction	80%
Fifth year following construction	100%
Following years	100%

(2) In order to confer the tax benefits described in subsection (1), the governing body of the affected county or, if the construction will occur within an incorporated city or town, the governing body of the incorporated city or town must approve by resolution for each remodeling, reconstruction, or expansion project the use of the schedule

1 provided for in subsection (1) or a schedule adopted
2 pursuant to subsection (4).

3 (3) The tax benefit described in subsection (1) applies
4 only to the number of mills levied and assessed for high
5 school district and elementary school district purposes and
6 to the number of mills levied and assessed by the local
7 governing body approving the benefit. ~~in-no-case-may-the~~ The
8 benefit described in subsection (1) may not apply to
9 statewide levies.

10 (4) A local government may, in the resolution required
11 by subsection (2), modify the percentages contained in
12 subsection (1) that apply to the first year following
13 construction through the fourth year following construction.
14 A local government may not modify the percentages contained
15 in subsection (1) that apply to the fifth year following
16 construction or years following the fifth year. A local
17 government may not modify the time limits contained in
18 subsection (1). The modifications to the percentages in
19 subsection (1) adopted by a local government apply uniformly
20 to each remodeling, reconstruction, or expansion project
21 approved by the governing body."

22 **Section 121.** Section 15-24-1802, MCA, is amended to
23 read:

24 "15-24-1802. Business incubator tax exemption --
25 procedure. (1) A business incubator owned or leased and

1 operated by a local economic development organization is
2 eligible for an exemption from property taxes as provided in
3 this section.

4 (2) In order to qualify for the tax exemption described
5 in this section, the governing body of the county,
6 consolidated government, incorporated city or town, or
7 school district in which the property is located shall
8 approve the tax exemption by resolution, after due notice,
9 as defined in 76-15-103, and hearing. The governing body may
10 approve or disapprove the tax exemption provided for in
11 subsection (1). If a tax exemption is approved, the
12 governing body shall do so by a separate resolution for each
13 business incubator in its respective jurisdiction. The
14 governing body may not grant approval for the business
15 incubator until all of the applicant's taxes have been paid
16 in full or, if the property is leased to a business
17 incubator, until all of the owner's property taxes on that
18 property have been paid in full. Taxes paid under protest do
19 not preclude approval. Prior to holding the hearing, the
20 governing body shall determine that the local economic
21 development organization:

22 (a) is a private nonprofit corporation as provided in
23 Title 35, chapter 2, and is exempt from taxation under
24 section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

25 (b) is engaged in economic development and business

assistance work in the area; and

(c) owns or leases and operates or will operate the business incubator.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the assessor department shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies and assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 or otherwise required under state law."

Section 122. Section 15-24-1902, MCA, is amended to read:

"15-24-1902. Industrial park tax exemption -- procedure -- termination. (1) An industrial park owned and operated by a local economic development organization or a port authority is eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the county,

consolidated government, incorporated city or town, or school district in which the property is located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). If a tax exemption is approved, the governing body shall do so by a separate resolution for each industrial park in its respective jurisdiction. The governing body may not grant approval for the industrial park until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that:

(a) the local economic development organization:

(i) is a private, nonprofit corporation as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(ii) is engaged in economic development and business assistance work in the area; and

(iii) owns and operates or will own and operate the industrial development park; or

(b) the port authority legally exists under the provisions of 7-14-1101 or 7-14-1102.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the assessor department

1 shall make the assessment change for the tax exemption
2 provided for in this section.

3 (4) The tax exemption described in subsection (1)
4 applies only to the number of mills levied and assessed by
5 the governing body approving the exemption over which the
6 governing body has sole discretion. If the governing body of
7 a county, consolidated government, or incorporated city or
8 town approves the exemption, the exemption applies to levies
9 or assessments required under Title 15, chapter 10,
10 20-9-331, or 20-9-333 or otherwise required under state law.

11 (5) If a local economic development organization sells,
12 leases, or otherwise disposes of the exempt property to a
13 purchaser or lessee that is not a local economic development
14 organization or a unit of federal, state, or local
15 government, the tax exemption provided in this section
16 terminates. The termination of the exemption applies January
17 1 of the taxable year immediately following the sale, lease,
18 or other disposition of the property. Upon termination of
19 the exemption, the property must be assessed as provided in
20 15-16-203."

21 **Section 123.** Section 15-24-2002, MCA, is amended to
22 read:

23 "15-24-2002. Building and land tax exemption --
24 procedure -- termination. (1) A building and land owned by a
25 local economic development organization that the local

1 economic development organization intends to sell or lease
2 to a profit-oriented, employment-stimulating business are
3 eligible for an exemption from property taxes as provided in
4 this section.

5 (2) In order to qualify for the tax exemption described
6 in this section, the governing body of the affected county,
7 consolidated government, incorporated city or town, or
8 school district in which the building and land are located
9 shall approve the tax exemption by resolution, after due
10 notice, as defined in 76-15-103, and hearing. The governing
11 body may approve or disapprove the tax exemption provided
12 for in subsection (1). The governing body shall approve a
13 tax exemption by a separate resolution. The governing body
14 may not grant approval for the building and land until all
15 of the applicant's taxes have been paid in full. Taxes paid
16 under protest do not preclude approval. Prior to holding the
17 hearing, the governing body shall determine that the local
18 economic development organization:

19 (a) is a private, nonprofit corporation, as provided in
20 Title 35, chapter 2, and is exempt from taxation under
21 section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

22 (b) is engaged in economic development and business
23 assistance work in the area; and

24 (c) owns or will own the building and land.

25 (3) Upon receipt of approval of the governing body of

1 the affected taxing jurisdiction, the assessor department
2 shall make the assessment change for the tax exemption
3 provided for in this section.

4 (4) The tax exemption described in subsection (1)
5 applies only to the number of mills levied and assessed by
6 the governing body approving the exemption over which the
7 governing body has sole discretion. If the governing body of
8 a county, consolidated government, or incorporated city or
9 town approves the exemption, the exemption applies to levies
10 or assessments required under Title 15, chapter 10,
11 20-9-331, or 20-9-333 and other levies required under state
12 law.

13 (5) When a local economic development organization
14 sells, leases, or otherwise disposes of the exempt property
15 to a purchaser or lessee that is not a local economic
16 development organization or a unit of federal, state, or
17 local government, the tax exemption provided in this section
18 terminates. The termination of the exemption applies January
19 1 of the taxable year immediately following the sale, lease,
20 or other disposition of the property. Upon termination of
21 the exemption, the property must be assessed as provided in
22 15-16-203."

23 **Section 124.** Section 15-24-2302, MCA, is amended to
24 read:

25 "15-24-2302. Clean coal technology tax exemption --

1 procedure -- termination. (1) The buildings, facilities, or
2 equipment installed under a clean coal technology project is
3 eligible for an exemption from property taxes as provided in
4 this section. A project must be designated as a clean coal
5 technology project by the department under criteria
6 contained in 90-4-905.

7 (2) In order to qualify for the tax exemption described
8 in this section, the legislature must have approved the
9 project and the governing body of each affected local
10 government must have approved the tax exemption by
11 resolution, after notice and hearing. The governing body of
12 each affected local government must be notified in writing
13 of the buildings, facilities, and equipment proposed to be
14 exempt from taxation and the value of the buildings,
15 facilities, and equipment. A tax exemption may not be
16 granted under this section unless it is approved by every
17 local government that would be affected by the project.

18 (3) If the governing body of each affected local
19 government approves a resolution granting the tax exemption
20 for a clean coal technology project, the buildings,
21 facilities, or equipment installed under the project is
22 exempt from the specified percentage of state and local
23 property taxes as approved by the governing bodies. The
24 percentage amount may be any amount up to 100%, but it must
25 be the same for all state and local property taxes.

1 (4) Funds made available to a clean coal technology
2 project as a result of the tax exemption under this section
3 must be used for project development, construction, or
4 operation or for payment of debt service on instruments used
5 to fund project development, construction, or operation.

6 (5) The department shall, in writing, notify the
7 ~~department-of-revenue's-agent-in-the~~ county or counties in
8 which the project is located of the date the final approval
9 for the tax exemption of the property was granted under this
10 section and shall specifically identify each piece of real
11 or personal property subject to the tax exemption. A tax
12 exemption granted under this section is effective for the
13 life of the project or 25 years, whichever occurs first. The
14 tax exemption begins on January 1 of the year after the
15 ~~department of-revenue-receives~~ gives notification of the
16 final approval under this section. The department shall, in
17 writing, notify the ~~department-of--revenue's--agent--in--the~~
18 county or counties in which the project is located when the
19 exemption has expired. The termination of the exemption
20 applies on January 1 of the taxable year following the
21 expiration of the exemption."

22 **Section 125.** Section 15-36-104, MCA, is amended to
23 read:

24 "15-36-104. Record of product -- carriers to furnish
25 data. Every-such Each person subject to 15-36-102 shall keep

1 a record in such the form as that the department of-revenue
2 ~~may-require~~ requires of all petroleum and other mineral or
3 crude oil or natural gas extracted or produced by such the
4 person in this state, and such the records ~~shall~~ must at all
5 times during the business hours ~~of-the--day~~ be subject to
6 inspection by the department ~~or-its-agents-or-employees.~~ it
7 ~~shall-be--the--duty--of--railroad~~ Railroad, pipeline, and
8 transportation companies carrying petroleum and other crude
9 or mineral oil or natural gas to shall furnish to the
10 department, whenever requested to do so, all data relative
11 to the shipment of such those products that may be required
12 to properly enforce the provisions of this part. The failure
13 of any railroad, pipeline, or transportation company to
14 comply with the provisions of this section ~~shall--make--such~~
15 subjects the company ~~liable~~ to a penalty of \$100 for each
16 day it fails to furnish such the statement."

17 **Section 126.** Section 15-37-203, MCA, is amended to
18 read:

19 "15-37-203. Records. Every-such Each person subject to
20 15-37-201 shall keep a record in such the form required as
21 by the department ~~of--revenue--may--require~~ of all such
22 products mined or produced by him the person in this state.
23 Such The records ~~shall~~ must at all times during the business
24 hours ~~of-the-day~~ be subject to inspection by the department,
25 ~~its-agents-or-employees."~~

Section 127. Section 15-51-104, MCA, is amended to read:

"15-51-104. Inspection of books of producer. The books and records of such an electrical energy producer shall must be subject to inspection by the department ~~of-revenue, its~~ agents-or-employees, during reasonable hours."

Section 128. Section 15-59-104, MCA, is amended to read:

"15-59-104. Manufacturers to keep records. ~~Every--such~~ Each person subject to 15-59-102 shall keep a record in such the form as required by the department ~~of-revenue-may~~ require of all cement, gypsum, gypsum plaster, stucco, wallboard, land plaster, or other products of cement or gypsum manufactured or produced by such the person in this state. ~~Such~~ The records shall must at all times during the business hours ~~of-the-day~~ be subject to inspection by the department, ~~its-agents-or-employees.~~"

Section 129. Section 15-59-203, MCA, is amended to read:

"15-59-203. Record of cement received. (1) Each and ~~every person engaging-in-or-carrying-on-such--occupation--in~~ this--state subject to 15-59-201 shall keep a record showing all cement, cement plaster, gypsum plaster, and other byproducts of cement:

(a) purchased or received by or delivered to such the

person for sale by such the person at retail in this state for the manufacturing or production of ~~which-cement,--cement plaster,--gypsum--plaster,--or-other-byproducts-of-cement-no~~ person-has-paid-or-assumed-liability those items; and

(b) for the ~~payment-of-any~~ which the license tax ~~to-the state-of-Montana-under-any-law-of-this-state~~ has not been paid,--which

(2) The record ~~shall must~~ show the date of each purchase or delivery, the number of barrels or tons contained therein, and the name of the person from whom the ~~same--was~~ items were purchased or received, ~~--which~~ The records shall must at all times during the business hours of ~~the-day~~ be subject to inspection by the department of ~~revenue,--its-agents-or-employees.~~"

Section 130. Section 19-3-908, MCA, is amended to read:

"19-3-908. Retirement incentive program -- window of eligibility. (1) Except as provided in subsection (4), a person who is an active member on February 1, 1993, and who voluntarily terminates service or whose service is involuntarily terminated because of a reduction in force on or after June 25, 1993, but before January 1, 1994, and who is eligible for a normal service retirement under 19-3-901 or early retirement under 19-3-902 is entitled to the retirement incentive provided in subsection (2).

(2) (a) The employer of an eligible member under

subsection (1) shall pay the total cost of purchasing up to 3 years of additional service that the member is qualified to purchase under 19-3-513.

(b) The department of revenue shall pay the cost of purchasing up to 3 years of additional service for qualifying county assessors and deputy assessors eligible under subsection (1) whose employing county has not elected for participation in the incentive program as provided in subsection (4).

(c) A member is entitled to a refund for that portion of previously purchased additional service that would otherwise cause the member to be unqualified to receive all or part of the additional service provided in this section.

(3) An active member who is involuntarily terminated because of a reduction in force on or after March 1, 1993, but before June 25, 1993, and who, if the member had not been terminated, would have been eligible under subsection (1) for the retirement incentive is entitled to the retirement incentive under subsection (2) if the member was, at the time of termination, eligible for normal service retirement under 19-3-901 or early retirement under 19-3-902 and retires on or after June 25, 1993.

(4) A Subject to subsection (2)(b), a contracting employer's participation in the incentive program described in this section is optional. A contracting employer may

elect to provide the incentive by filing with the board a written notice of election on or before June 1, 1993, and complying with rules adopted pursuant to subsection ~~(5)~~ (6).

(5) County assessors and deputy assessors are eligible for the incentive program even if the employing county has not elected to participate in the incentive program.

~~(5)~~(6) The board may allow an employer to pay the contributions required under subsection (2)(a) in installments for up to 10 years and may charge interest at a rate set by the board pursuant to 19-2-403. The board shall adopt rules to implement the provisions of this section.

~~(6)~~(7) A member who has received additional service under this section and who returns to employment for the same jurisdiction for 600 or more hours in a calendar year shall forfeit the additional service. The employer's contributions to purchase that member's additional service, minus any retirement benefits already paid, must be refunded to the employer. For purposes of this subsection, all agencies of the state, including the university system, are considered the same jurisdiction and other public employers contracting with the retirement system are each considered separate jurisdictions."

Section 131. Section 20-9-122, MCA, is amended to read:

"20-9-122. Statement of district, city, and town valuations. (1) By the second Monday of July, the department

1 of revenue or its agent in each county shall, at the time of
 2 delivering the completed assessment book to the county clerk
 3 under the provisions of 15-8-705, also deliver to the county
 4 superintendent and to each city or town clerk a statement
 5 showing separately for each district and each city or town
 6 in his the county the total assessed value and the total
 7 taxable value of all property in such the districts, cities,
 8 or towns, as these valuations appear in such--completed
 9 assessment book the property tax record.

10 {2}--The--county clerk shall, after the second Monday in
 11 August--and--before--or--at--the--time--of--delivering--the
 12 assessment--book--to--the department of revenue or its agent
 13 under the--provisions--of--15-10-306,--prepare--a--statement
 14 showing--separately--for each district and each city or town
 15 in his county the total assessed value and the total taxable
 16 value of all property in such districts, cities,--or--towns,
 17 as--these--valuations--appear--in--the assessment book after
 18 amendments, corrections, and additions made by the state and
 19 county tax appeal boards and entered on the assessment book.
 20 The county clerk shall immediately deliver--a--copy--of--his
 21 statement--of--assessed--and taxable values for districts to
 22 the county superintendent and a copy of--those--portions--of
 23 such--statement--for--each--city and town to the appropriate
 24 city or town clerk.

25 {3}{2} In the case of a joint school district, the

1 department of revenue or--its--agent and the county clerk
 2 shall, at the time of delivering their respective statements
 3 the statement to the county superintendent, send a statement
 4 of the assessed value and taxable value of the portion of
 5 the joint school district situated in their the appropriate
 6 county to the county superintendents and to the county
 7 commissioners of each county in which a part of the joint
 8 school district is situated."

9 **Section 132.** Section 50-61-112, MCA, is amended to
 10 read:

11 "50-61-112. Prior approval required for construction or
 12 alteration of educational and institutional occupancies. (1)
 13 Within an incorporated municipality, an educational or
 14 institutional occupancy, whether public or private, may not
 15 be constructed or have alterations made costing \$1,500 or
 16 more until sketches or architectural plans for the
 17 construction or alteration, whichever are available, are
 18 submitted to and approved by the state fire prevention and
 19 investigation program of the department of justice.

20 (2) Outside an incorporated municipality, an assembly,
 21 educational, or institutional occupancy may not be
 22 constructed or have alterations made costing \$1,500 or more
 23 until a permit has been issued for the construction or
 24 alteration by the county commissioners. A fee of \$10 shall
 25 must be paid to the county treasurer for each permit. A copy

of the permit ~~shall~~ must be furnished to the county-assessor department of revenue. No A permit may not be issued until sketches or architectural plans for the construction or alteration, whichever are available, are submitted to and approved by the state fire prevention and investigation program of the department of justice. The state fire prevention and investigation program of the department of justice and county sheriffs are responsible for enforcing the provisions of this subsection."

Section 133. Section 61-3-207, MCA, is amended to read:

"61-3-207. Mobile home or housetrailer -- transfer of interest. (1) Upon a transfer of any interest in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer ~~shall~~ must be made through the county treasurer's office in the county in which the mobile home or housetrailer is located at the time of the transfer.

(2) When a mobile home or housetrailer is sold under contract or under such conditions that title is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and recorder a notice of intention to transfer title. The notice must indicate the name of the party who is thereafter responsible for payment of taxes upon the mobile home or housetrailer after the transfer. The clerk and recorder shall immediately notify

the county-assessor department of revenue of the information in the notice. The penalty provisions of 61-3-201(2) do not apply if the notice of intent to transfer is filed with the county clerk and recorder within 20 days after the transfer."

Section 134. Section 61-3-303, MCA, is amended to read:

"61-3-303. Application for registration. (1) Every owner of a motor vehicle operated or driven upon the public highways of this state shall for each motor vehicle owned, except as herein otherwise expressly provided in this section, file or cause to be filed in the office of the county treasurer where the owner ~~makes--his--permanent residence~~ permanently resides at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned, an application for registration or reregistration upon a blank form to be prepared and furnished by the department. The application ~~shall~~ must contain:

(a) name and address of owner, giving county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

(b) name and address of the holder of any security

1 interest in the motor vehicle;

2 (c) description of motor vehicle, including make, year
3 model, engine or serial number, manufacturer's model or
4 letter, gross weight, and type of body, and, if a truck, the
5 rated capacity; and

6 (d) other information that the department may require.

7 (2) A person who files an application for registration
8 or reregistration of a motor vehicle, except of a mobile
9 home as defined in 15-1-101(1), shall upon the filing of the
10 application pay to the county treasurer:

11 (a) the registration fee, as provided in 61-3-311 and
12 61-3-321; and

13 (b) unless it has been previously paid:

14 (i) the personal property taxes assessed against the
15 vehicle for the current year of registration and the
16 immediately previous year; or

17 (ii) the new motor vehicle sales tax against the vehicle
18 for the current year of registration.

19 (3) The application may not be accepted by the county
20 treasurer unless the payments required by subsection (2)
21 accompany the application. The department ~~or-its-agent~~ of
22 revenue may not assess and the county treasurer may not
23 collect taxes or fees for a period other than:

24 (a) the current year; and

25 (b) the immediately previous year, if the vehicle was

1 not registered or operated on the highways of the state,
2 regardless of the period of time since the vehicle was
3 previously registered or operated.

4 (4) The department ~~or-its-agent~~ of revenue may make
5 full and complete investigation of the tax status of the
6 vehicle. Any applicant for registration or reregistration
7 must shall submit proof from the tax or other appropriate
8 records of the proper county at the request of the
9 department ~~or-its-agent~~ of revenue."

10 **Section 135.** Section 61-3-345, MCA, is amended to read:

11 "61-3-345. County motor vehicle computer system. (1)
12 The department shall maintain a statewide on-line online
13 computer system to be used to register and reregister motor
14 vehicles, boats, snowmobiles, and off-highway vehicles.

15 (2) The department shall establish the user advisory
16 group to assist in the development of policies governing the
17 registration and reregistration of motor vehicles, boats,
18 snowmobiles, and off-highway vehicles. The user advisory
19 group must be appointed by the attorney general and must
20 include:

21 (a) an employee of the department of administration,
22 data processing division, selected by the division
23 administrator;

24 (b) two county treasurers, selected by the Montana
25 county treasurers association;

- 1 (c) one county motor vehicle section supervisor,
 2 selected by the Montana county treasurers association;
 3 (d) a-county-assessor an employee of the department of
 4 revenue who is engaged in property assessment, selected by
 5 the director of the department of revenue;
 6 (e) an employee of the department of justice, data
 7 processing division, selected by the division administrator;
 8 (f) an employee of the department of justice, motor
 9 vehicle division, registrar's bureau, selected by the
 10 division administrator;
 11 (g) an employee of the department of justice, motor
 12 vehicle division, driver services bureau, selected by the
 13 division administrator;
 14 (h) a member of the Montana bankers' association,
 15 selected by the association director;
 16 (i) a member of the Montana automobile dealers
 17 association, selected by the association director; and
 18 (j) a member or employee of the Montana American
 19 automobile association, selected by the association
 20 director.
 21 (3) Committee members who are not employees of the
 22 state of Montana shall serve a term of 2 years, and state
 23 employee members shall serve at the pleasure of the attorney
 24 general.
 25 (4) Travel and per diem expenses for the committee must

1 be charged to the motor vehicle division.

2 (5) Secretarial and support services for the committee
 3 must be provided by the motor vehicle division.

4 (6) The committee shall meet no more than four times a
 5 year unless specifically called by the attorney general."

6 **Section 136.** Section 61-3-503, MCA, is amended to read:

7 "61-3-503. **Assessment.** (1) Except as provided in
 8 61-3-520 and subsection (2) of this section, the following
 9 apply to the taxation of motor vehicles:

10 (a) Except as provided in subsections (1)(c) through
 11 (1)(e), a person who files an application for registration
 12 or reregistration of a motor vehicle shall before filing the
 13 application with the county treasurer submit the application
 14 to the county--assessor department of revenue. The county
 15 assessor department of revenue shall enter on the
 16 application in a space to be provided for that purpose the
 17 market value and taxable value of the vehicle as of January
 18 1 of the year for which the application for registration is
 19 made.

20 (b) Except as provided in subsection (1)(c), motor
 21 vehicles are assessed for taxes on January 1 in each year
 22 irrespective of the time fixed by law for the assessment of
 23 other classes of personal property and irrespective of
 24 whether the levy and tax may be a lien upon real property
 25 within the state. A motor vehicle is not subject to

1 assessment, levy, and taxation more than once in each year.

2 (c) Vehicles subject to the provisions of 61-3-313
3 through 61-3-316 must be assessed as of the first day of the
4 registration period, using the average trade-in or wholesale
5 value as of January 1 of the year of assessment of the
6 vehicle as contained in the most recent volume of the
7 Mountain States Edition of the National Automobile Dealers
8 Association (N.A.D.A.) Official Used Car Guide, the National
9 Edition of N.A.D.A. Appraisal Guides Official Older Used Car
10 Guide, or another nationally published used vehicle or
11 appraisal guide approved by the department of revenue or,
12 for a vehicle that was never listed in any edition of the
13 preceding guides, the retail value of the vehicle as
14 determined by the county-assessor department of revenue, and
15 thereafter depreciated 10% per year until a value of \$500 is
16 reached, not including additions or deductions for options
17 and mileage but including additions or deductions, whether
18 or not one of the preceding guides is used, for diesel
19 engines; and a lien for taxes and fees due on the vehicle
20 ~~shall--occur~~ occurs on the anniversary date of the
21 registration and ~~shall--continue~~ continues until the fees and
22 taxes have been paid. If the value shown in any of the
23 appraisal guides listed in this section is less than \$500,
24 the department shall value the vehicle at \$500.

25 (d) Motorcycles and quadricycles must be assessed,

1 using the greater of the following:

2 (i) \$250; or

3 (ii) the average trade-in or wholesale value as of
4 January 1 of the year of assessment of the vehicle as
5 contained in the most recent volume of the applicable
6 National Edition of the N.A.D.A. Motorcycle/Moped/ATV
7 Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal
8 Guide or another nationally published used vehicle or
9 appraisal guide approved by the department of revenue, not
10 including additions or deductions for options and mileage.

11 (e) If a vehicle assessed under subsection (1)(c) or
12 (1)(d) is not originally listed in the applicable N.A.D.A.
13 guide or other approved guide, the department of revenue or
14 ~~its-agent~~ shall depreciate the original f.o.b. factory list
15 price, f.o.b. port-of-entry list price, or the
16 manufacturer's suggested list price, using the following
17 methods:

18 (i) if the new car sales tax has been previously paid
19 and the vehicle is less than 1 year in age, the depreciation
20 percentage ~~shall--be~~ is 20%; or

21 (ii) if the vehicle is 1 year or older in age and it is
22 not listed in any of the appraisal guides listed in this
23 section, the department of revenue shall determine the
24 depreciation percentage to approximate the average wholesale
25 or trade-in values in the current N.A.D.A. guides or other

1 approved guides referred to in this subsection. For purposes
2 of this subsection (1), the age of the vehicle is determined
3 by subtracting the manufacturer's model year of the vehicle
4 from the calendar year of assessment.

5 (f) When a minimum value of \$500 is reached, the value
6 ~~shall~~ must remain at that minimum ~~so~~ as long as the vehicle
7 is registered.

8 (g) If a previously registered vehicle is no longer
9 listed in the applicable N.A.D.A. guide or other approved
10 guide, the department ~~or--its--agent~~ of revenue shall
11 depreciate the value of the vehicle at the rate of 10% a
12 year until a minimum amount of \$500 is attained, and the
13 value ~~shall~~ must remain at that amount ~~so~~ as long as the
14 vehicle is registered.

15 (2) The provisions of subsections (1)(a) through (1)(g)
16 do not apply to motor homes, travel trailers, campers, or
17 mobile homes as defined in 15-1-101(1)."

18 **Section 137.** Section 61-12-402, MCA, is amended to
19 read:

20 "61-12-402. Notice to owner. (1) Within 72 hours after
21 any vehicle is removed and held by or at the direction of
22 the Montana highway patrol, the highway patrol shall notify
23 the sheriff of the county in which the vehicle was located
24 at the time it was taken into custody and the place where
25 the vehicle is being held. In addition, the Montana highway

1 patrol shall furnish the sheriff a complete description of
2 the vehicle, ~~to-include~~ including year, make, model, serial
3 number, and license number if available; any costs incurred
4 to that date in the removal, storage, and custody of the
5 vehicle; and any available information concerning its
6 ownership.

7 (2) The sheriff or the city police shall make
8 reasonable efforts to ascertain the name and address of the
9 owner, lienholder, or person entitled to possession of the
10 vehicle taken into custody under 61-12-401. If such a name
11 and address are ascertained, the sheriff or the city police
12 shall notify such the owner and lienholder or person of the
13 location of the vehicle.

14 (3) If the vehicle is registered in the office of the
15 department, notice ~~shall-be-deemed~~ is considered to have
16 been given when a registered or certified letter addressed
17 to the registered owner of the vehicle and lienholder, if
18 any, at the latest address shown by the records in the
19 office of the department, return receipt requested and
20 postage prepaid ~~thereon~~, is mailed at least 30 days before
21 the vehicle is sold ~~as-hereinafter-provided~~.

22 (4) If the identity of the ~~last----~~ registered
23 last-registered owner cannot be determined, or if the
24 registration ~~contains-no~~ does not contain an address for the
25 owner, or if it is impossible to determine with reasonable

1 certainty the identity and addresses of all lienholders,
 2 notice by one publication in one newspaper of general
 3 circulation in the county where the motor vehicle was
 4 abandoned ~~shall be~~ is sufficient to meet all requirements of
 5 notice pursuant to this part. ~~Such~~ The notice by publication
 6 can contain multiple listings of abandoned vehicles. ~~Any~~
 7 ~~such~~ The notice ~~shall~~ must be provided in the same manner as
 8 prescribed in 25-13-701(1)(b).

9 (5) If the abandoned vehicle is in the possession of a
 10 motor vehicle wrecking facility licensed under 75-10-511,
 11 the wrecking facility may make the required search to
 12 ascertain the name and address of the owner, lienholder, or
 13 person entitled to possession of the vehicle and shall give
 14 the notices required in subsections (2) through (4). The
 15 wrecking facility shall deliver to the sheriff or the city
 16 police a certificate describing the efforts made to
 17 ascertain the name and address of the owner, lienholder, or
 18 person entitled to possession of the vehicle and shall
 19 deliver to the sheriff or the city police proof of the
 20 notice given.

21 (6) A vehicle found by law enforcement officials to be
 22 a "junk vehicle" as defined by 75-10-501 and certified as
 23 having an appraised value of \$100 or less as determined by
 24 the ~~county assessor in accordance with the rules of the~~
 25 department of revenue may be directly submitted for disposal

1 in accordance with the provisions of part 5 of chapter 10,
 2 Title 75, upon a release given by the sheriff or the city
 3 police. In the release, the sheriff or the city police shall
 4 include a description of the vehicle, including year, make,
 5 model, serial number, and license number if available. A
 6 release provided by the sheriff or the city police under
 7 this section ~~shall~~ must be transmitted to the motor vehicle
 8 wrecking facility and ~~shall~~ must be considered by that
 9 facility to meet the requirements for records under
 10 75-10-512 and 75-10-513. Vehicles described in this section
 11 may be submitted without notice and without a required
 12 holding period."

13 **Section 138.** Section 70-23-304, MCA, is amended to
 14 read:

15 "70-23-304. Declaration to be approved by department of
 16 revenue before recording. Before a declaration may be
 17 recorded in the county in which the property is located, it
 18 must be approved by ~~the agent of~~ the department of revenue
 19 ~~in the county in which the property is located~~. No A
 20 declaration ~~shall~~ must be approved unless:

- 21 (1) the name is proper so as to comply with 70-23-303;
 22 and
 23 (2) all taxes and assessments due and payable have been
 24 paid."

25 **Section 139.** Section 70-23-305, MCA, is amended to

1 read:

2 "70-23-305. Recording of declaration. (1) When a
3 declaration is made and approved as required, it must, upon
4 the payment of the fees provided by law, be recorded by the
5 recording officer. The fact of recording and the date of
6 recording must be entered on the declaration.

7 (2) At the time of recording a declaration, the person
8 offering it for record shall also file a copy, certified by
9 the recording officer to be a true copy, with the department
10 of revenue ~~or its agent in the county in which the property~~
11 ~~is located.~~

12 (3) If the property is located in a city or town, a
13 copy of the declaration only must also be filed with the
14 city or town clerk at the time of recording."

15 **Section 140.** Section 76-2-102, MCA, is amended to read:

16 "76-2-102. Organization and operation of commission.

17 (1) The commission is to consist of the three county
18 commissioners, the county surveyor, and ~~the county--assessor~~
19 a county official appointed by the county commissioners.
20 Members of the commission shall serve without compensation
21 other than reimbursement for duly authorized expenses and
22 ~~shall~~ must be residents of the county in which they serve.

23 (2) The commission ~~hereby is authorized to~~ may appoint
24 necessary employees and fix their compensation with the
25 approval of the board of county commissioners, to select a

1 chairman presiding officer to serve for 1 year, to appoint a
2 secretary ~~who--shall~~ to keep permanent and complete records
3 of its proceedings, and to adopt rules governing the
4 transaction of its business.

5 (3) The finances necessary for the transaction of the
6 planning and zoning commission's business and to pay the
7 expenses of the employees and justified expenses of the
8 members of the board ~~shall~~ must be paid from a levy of not
9 to exceed 1 mill on the taxable valuation of the real
10 property within ~~such~~ the district."

11 **Section 141.** Section 76-13-207, MCA, is amended to
12 read:

13 "76-13-207. Determination and collection of costs of
14 fire protection. (1) The department shall prepare an annual
15 operation assessment plan in which fire protection costs are
16 determined. The department shall request the legislature to
17 appropriate the state's portion of the cost. After the
18 appropriation is made by the legislature, the department
19 shall cause an assessment to be made on the owners of
20 classified forest land, as specified in 76-13-201,
21 sufficient to bring the total amount received from ~~such~~ the
22 landowners to no greater than one-third of the amount
23 specified in the appropriation.

24 (2) On or before the second Tuesday in August of each
25 year, the department shall certify in writing to the county

1 ~~assessor-of-each-county~~ department of revenue the names of
 2 these owners of forest lands in ~~his~~ each county, together
 3 with a description of their lands and a statement of the
 4 amount found to be due and owing by each of the owners to
 5 the department for forest fire protection.

6 (3) Upon receiving the certificate from the department
 7 showing the amount due, the ~~county-assessor~~ department of
 8 revenue shall extend the amounts upon the county tax rolls
 9 covering the lands, and the sums ~~shall~~ become obligations of
 10 the owner, to be paid and collected in the same manner and
 11 at the same time and ~~with-like~~ subject to the same penalties
 12 as general state and county taxes upon the same property are
 13 collected."

14 **Section 142.** Section 76-15-518, MCA, is amended to
 15 read:

16 "76-15-518. Certification of assessment to ~~assessor~~
 17 department of revenue -- entry on ~~assessment--roll~~ property
 18 tax record. The board of county commissioners of each county
 19 in which any portion of the district is situated may levy
 20 the assessment provided in this part or part 6. The
 21 assessment ~~shall~~ must be certified to the ~~county-assessor-of~~
 22 ~~each-of-the-respective-counties~~ department of revenue and
 23 entered on the ~~assessment-roll~~ property tax record of each
 24 county."

25 **Section 143.** Section 77-1-501, MCA, is amended to read:

1 "77-1-501. List of state lands by county. The
 2 department shall, before the first Monday of April of every
 3 year, prepare and transmit a statement to the department of
 4 revenue ~~or-its-agent-in~~ that designates each county in which
 5 the state has real property in excess of 6% of the total
 6 land area of the county and from which the state derives
 7 grazing, agricultural, or forest income. The statement ~~shall~~
 8 must contain the total number of acres owned by the state in
 9 that county and list the acres separately as grazing,
 10 agricultural, or forest land."

11 **Section 144.** Section 77-1-503, MCA, is amended to read:

12 "77-1-503. Form to be completed by ~~county-agent-of--the~~
 13 ~~department of revenue~~. The department shall provide a form
 14 for each county to be followed and completed by ~~the-agent-of~~
 15 the department of revenue ~~in--each--county~~. The ~~agent~~
 16 department of revenue shall, before October 1, make the
 17 computations required and submit to the department the
 18 completed ~~form~~ forms, which ~~shall~~ must show the computations
 19 and method used in arriving at the state land equalization
 20 payment."

21 **Section 145.** Section 77-1-504, MCA, is amended to read:

22 "77-1-504. Processing of county statements. The
 23 department shall examine for accuracy the statement returned
 24 by the ~~agent-of-the~~ department of revenue ~~for-accuracy~~, and
 25 ~~in-no-case-shall~~ the state land equalization payment may not

1 be approved unless the state exemption figure is deducted
 2 from the gross assessment figure in the statement. The
 3 department shall, before November 1 of each year, prepare
 4 and file a claim with the department of administration for
 5 all counties who that are eligible for state land
 6 equalization payments, and this claim ~~shall~~ must show the
 7 amount of money each eligible county will receive."

8 **Section 146.** Section 77-2-313, MCA, is amended to read:

9 "77-2-313. Land subject to taxation. (1) State lands
 10 purchased from the state are subject to taxation ~~to the full~~
 11 ~~value thereof~~. The department of revenue shall assess the
 12 purchaser for the full value of the land on January 1
 13 following the date of purchase. The holder of certificates
 14 of purchase to lands within an irrigation districts district
 15 is liable for the entire irrigation district tax levied
 16 against the land thereunder ~~on account--of--such--irrigation~~
 17 ~~district~~.

18 (2) The improvements on the land ~~shall~~ must be assessed
 19 and taxed as other improvements on farm lands.

20 (3) On or before January 15 of each year, the
 21 department shall furnish the department of revenue ~~or--its~~
 22 ~~agent-in-each-county~~ with a complete list of all state lands
 23 sold in his each county during the previous calendar year
 24 ~~ending-on-the-previous-December-31~~. This list ~~shall~~ must
 25 show the name and address of the purchaser, the legal

1 description of the land, and the acreage contained therein
 2 in the purchase."

3 **Section 147.** Section 80-2-203, MCA, is amended to read:

4 "80-2-203. Participation in program -- tax. (1) A
 5 taxpayer or an association of taxpayers engaged in the
 6 growing of crops other than those specified in this part or
 7 other agricultural or horticultural products subject to
 8 injury or destruction by hail may, by individual or joint
 9 election filed with and approved by the board of hail
 10 insurance, accept the provisions of this part and elect to
 11 become subject to this part. The risks may be classified by
 12 the board, and suitable levies may be imposed as agreed upon
 13 by the board and the taxpayers. The taxpayers are entitled
 14 to the benefits and protection afforded by the insurance
 15 provisions of this part.

16 (2) ~~Every~~ Each farmer taxpayer who signifies a desire
 17 to become subject to the provisions of this part shall file
 18 ~~in-the-office-of-the-county-assessor with the department of~~
 19 revenue the properly filled out form not later than August
 20 15. and The taxpayer is chargeable with the tax provided for
 21 on lands growing crops subject to injury or destruction by
 22 hail and shall share in the protection and benefits under
 23 the hail insurance provisions of this part. The application
 24 for hail insurance is in full force and effect at 12:01 a.m.
 25 the day immediately following the acceptance of the

1 application by the county-assessor department of revenue.

2 (3) This part may not be construed to empower anyone
3 except the actual owner of the land to make the land subject
4 to the hail tax provided in this part."

5 **Section 148.** Section 80-2-204, MCA, is amended to read:

6 "80-2-204. Duty of ~~agent-of-the~~ department of revenue
7 -- election of benefits of law. ~~it-shall-be-the-duty-of--the~~
8 ~~agent-of-the~~ The department of revenue ~~in-each-county-in-the~~
9 ~~state shall~~ upon request to explain to each taxpayer engaged
10 in the growing of crops subject to injury or destruction by
11 hail the provisions of this part. ~~and--the--protection~~
12 ~~afforded-thereby-and-to~~ The department of revenue shall
13 ~~issue hail insurance policies--on-the-forms-provided-for~~
14 ~~such-purpose--if-such~~ to each taxpayer who desires to become
15 subject to this part, ~~and to become~~ liable for the tax
16 levies provided hereby in this part, and thereby to be
17 eligible to for the benefits and protection of this part.
18 ~~Each--such~~ A taxpayer who elects to become subject to this
19 part ~~shall-be is~~ liable for the taxes levied for hail
20 insurance and shall participate in the benefits and
21 protection afforded by this part. ~~y-provided-that~~ Either the
22 owners of lands worked by others under lease or contract
23 ~~shall-elect-if-such-lands-shall-be-subject-to-the-tax-levies~~
24 ~~herein-provided-for-and-the-crops-grown--thereon--protected~~
25 may make the election for hail insurance, or the lessee of

1 such the land may tender payment of the tax levied for hail
2 insurance to protect ~~his~~ the lessee's crops, in cash, to the
3 officer authorized to receive payment same, ~~whereupon-such~~
4 ~~crops-shall-become-eligible-to-the-benefits--and--protection~~
5 ~~afforded-by-this-part-for-hail-insurance."~~

6 **Section 149.** Section 80-2-206, MCA, is amended to read:

7 "80-2-206. Cash payment. When an applicant for hail
8 insurance tenders cash for the same insurance to the county
9 assessor department of revenue, ~~he-shall-be the applicant is~~
10 allowed a discount of 4%. ~~His~~ The hail insurance ~~shall must~~
11 be issued upon ~~said the~~ cash payment less the 4% mentioned.
12 The charge for the insurance ~~shall must~~ be based on the
13 maximum rates shown on the application for hail insurance.
14 If the current rates are reduced later, the board of hail
15 insurance shall arrange for the proper refund to the
16 insured. All cash received by the ~~assessor-shall~~ department
17 of revenue must be promptly turned over to the county
18 treasurer, who ~~will shall~~ furnish the insured with a current
19 receipt and place the money in the hail insurance fund."

20 **Section 150.** Section 80-2-207, MCA, is amended to read:

21 "80-2-207. Delinquent taxes -- application by
22 delinquent -- crop lien. (1) No An owner of land who has
23 more than 1 year's delinquent taxes on ~~his~~ the land ~~shall~~
24 may not be allowed hail insurance under the provisions of
25 this part, unless ~~his~~ the owner's application is accompanied

1 by a cash payment for the amount that would be due on said
2 the application in the event of a maximum levy for that
3 year.

4 (2) Any grain grower unable to secure state hail
5 insurance under the provisions of this part on--account
6 because of delinquent taxes or for other reasons may make
7 application to the county-assessor-of-his-respective--county
8 department of revenue, and said-county-assessor-is-hereby
9 authorized-to the department of revenue may receive and
10 accept such the applications where when the applicant
11 furnishes a sufficient crop lien that is subject only to a
12 seed lien, y-provided-that-such The crop lien shall may be
13 accepted only under such rules and requirements as that may
14 be prescribed by the board of hail insurance and provided
15 under the provision that the board may cancel any hail
16 insurance accepted in violation of said the rules and
17 requirements. Upon receipt of said the application, the
18 county-assessor department of revenue shall make a record
19 thereof of the application and shall file the original in
20 the office of the clerk and recorder of said the county. He
21 The department of revenue shall also cause an assessment for
22 the proper amount to be made on the assessment-rolls
23 property tax record in the same manner provided for in the
24 case of other special levies or assessments.

25 (3) No A tenant who has delinquent hail insurance which

1 that was secured by a crop lien only and not secured by real
2 estate shall may not be allowed another policy in any
3 succeeding year until he-pays-his the delinquent account or
4 accounts are paid or until he the tenant pays cash for the
5 current hail insurance.

6 (4) If any a tenant becomes delinquent for his hail
7 insurance after having failed to apply for relief as
8 provided by the board under 80-2-229, he the tenant may
9 apply to the board for a reduction. If his the reasons for
10 requesting a reduction are approved by the board, the board
11 may reduce his the charge to not less than one-half the
12 original amount charged."

13 **Section 151.** Section 80-2-225, MCA, is amended to read:

14 "80-2-225. Real estate lien -- creation. Such The tax
15 levies are chargeable to the lands of each taxpayer,
16 respectively, who elects to become subject to this part and
17 shall must be extended-on entered in the property tax roll
18 record and collected by the officers charged with such
19 duties in the manner and form as are other property taxes,
20 and-if If the levies are not paid, shall-be they are a lien
21 on the lands against which the-same they are levied in the
22 same manner as are other property taxes. The-lien-may-in--no
23 way--affect--mortgages-that-are-of-record-on-March-14-1917-
24 The-lien-of-any-mortgage-filed-subsequent-to-March-14-1917-
25 shall-be-subsequent-to-any-lien-for-hail-insurance-hereafter

levied thereon."

Section 152. Section 81-2-302, MCA, is amended to read:

"81-2-302. Duty of county--assessor department of revenue. The ~~assessment--roll~~ property tax record of the county in which the disease control area is to be established is the basis for computing the required percentage of livestock owners and livestock. The county ~~assessor~~ department of revenue shall certify to the department when the necessary 75% of the owners of livestock representing not less than 50% of the species of livestock to be inspected, tested, treated, or vaccinated have signed the required petition."

Section 153. Section 81-4-511, MCA, is amended to read:

"81-4-511. Assessment of horses taken in roundup. ~~It shall be the duty of the county assessor~~ Following a roundup held pursuant to this part, the department of revenue shall immediately to assess all horses that have been taken up in such a roundup which shall and that may be sold or reclaimed before sale and not already assessed for the current year. ~~and forthwith~~ The department of revenue shall transmit to the county treasurer a copy of each assessment made. Any such horses which that have escaped the assessment mentioned in 81-4-501 ~~shall~~ must be assessed as provided for in 15-8-306."

Section 154. Section 81-4-513, MCA, is amended to read:

"81-4-513. Report of roundup foreman -- disposition of copies. The roundup foreman in charge of ~~any--such~~ the roundup shall keep an accurate record of all proceedings had under the order for ~~such the~~ roundup, ~~and within~~ Within 30 days after ~~such the~~ roundup ~~shall be~~ is completed, ~~he--must~~ the foreman shall prepare in triplicate and verify by his oath a full, true, and accurate report of all the proceedings ~~taken--or had~~ under the order for the roundup, ~~among other things, particularly including~~ The report must include a complete financial statement, the number and description of horses impounded, ~~and how--disposed--of the manner of disposition of the horses~~. ~~Within--said--30--days--one--of--such--triplicates--of--such~~ One copy of the report shall must be filed with the clerk of the board of county commissioners, and ~~such the~~ filing ~~shall be~~ is notice ~~to the world of all the contents of such the report and prima facie proof of the facts therein stated in the report~~. ~~Within--said 30--days--one--of--such--triplicate--shall--also~~ One copy of the report must be filed with the ~~county assessor~~ department of revenue, and one copy must be filed with the county treasurer, for their information and appropriate action."

Section 155. Section 81-4-516, MCA, is amended to read:

"81-4-516. Limitation of powers or duties of officers. Except as herein provided in this part, ~~nothing--herein contained--shall~~ this part may not be construed as limiting

the powers or duties of assessors the department of revenue,
county treasurers, or other boards or officers."

Section 156. Section 81-7-303, MCA, is amended to read:

"81-7-303. County commissioners permitted to require
per capita license fee on sheep. (1) To defray the expense
of such protection, the board of county commissioners of any
county ~~shall have the power to~~ may require all owners or
persons in possession of any sheep coming 1 year old or over
older in the county on the regular assessment date of each
year to pay a per capita license fee in an amount to be
determined by the board ~~on a per head basis for sheep so~~
~~owned or possessed by him in the county.~~ All owners or
persons in possession of any sheep coming 1 year old or over
older coming into the county after the regular assessment
date and subject to taxation under the provisions of
15-24-301 ~~shall also be~~ are subject to payment of the
license fee herein-prescribed.

(2) Upon the order of the board of county
commissioners, such the license fees may be imposed by the
~~entry thereof in entering~~ the name of the licensee upon the
property tax rolls record of the county by the county
assessor department of revenue. ~~Said~~ The license fees ~~shall~~
be are payable to and must be collected by the county
treasurer, ~~and when so~~ When levied, ~~shall be~~ the fees are a
lien upon the property, both real and personal, of the

licensee. ~~In case~~ If the person against whom ~~said the~~
license fee is levied ~~owns--no~~ does not own real estate
against which ~~said the~~ license fee is or may become a lien,
then ~~said the~~ license fee ~~shall be~~ is payable immediately
upon its levy and the treasurer shall collect the ~~same fee~~
in the manner provided by law for the collection of personal
property taxes ~~which that~~ are not a lien upon real estate.

(3) When collected, ~~said the~~ fees ~~shall must~~ be placed
~~by the treasurer~~ in the predatory animal control fund and
the ~~moneys in said~~ fund ~~shall may~~ be expended on order of
the board of county commissioners of the county for
predatory animal control only."

Section 157. Section 85-7-2136, MCA, is amended to
read:

"85-7-2136. Collection of taxes or assessment. (1) On
or before the third Monday in August of each year, the board
of commissioners shall furnish the ~~agent of~~ to the
department of revenue ~~in each county in which any of the~~
~~lands of the district are situated~~ a correct list of all the
district lands in the county, together with the amount of
the total taxes or assessments against the lands for
district purposes. The ~~agent of the~~ department of revenue in
each county shall immediately upon receipt of the list, ~~and~~
~~prior to the delivery of the assessment book to the county~~
~~treasurer, cause enter~~ the assessment roll to be entered in

1 the ~~assessment--book~~ property tax record of the county for
2 each year.

3 (2) ~~It-is-the-duty-of-the~~ The county treasurer of each
4 county in which any irrigation district is located, in whole
5 or in part, ~~to shall~~ collect and receipt for all taxes and
6 assessments levied by the district, in the same manner and
7 at the same time as is required in the collection of taxes
8 upon real estate for county purposes as provided in
9 15-16-102. The treasurer shall receive from any taxpayer, at
10 any time, the amount due on account of any district
11 assessments of any kind, whether other taxes on the same
12 real estate are paid or not.

13 (3) During the water delivery season, as determined by
14 the irrigation district commissioners, the county treasurer
15 shall make available to the board of commissioners of an
16 irrigation district notice of the receipt of payments of
17 district assessments by 9 a.m. on the day following receipt
18 of those payments.

19 (4) If requested in writing by a board of commissioners
20 of an irrigation district, the county treasurer may receive
21 assistance from an employee of the irrigation district or a
22 commissioner of the district for the purpose of collecting
23 district assessments as provided in 15-16-102, investing
24 district funds as directed by the board of commissioners of
25 the district, and preparing district assessment notices.

1 (5) When any real estate on account of which the
2 district taxes and assessments have been levied has been
3 sold to the county and tax certificate of sale is held by
4 the county, the taxpayer may pay to the treasurer at any
5 time any semiannual installment of the district tax or
6 assessment, together with the penalty and interest to date
7 of payment on ~~such~~ the installment. However, the payment may
8 not be considered a redemption of the property from the tax
9 sale but must be credited on account of any redemption that
10 may be made. In case of any payment pursuant to this
11 subsection, a separate tax receipt must issue, showing
12 exactly what assessments have been paid, and must show that
13 no other tax on the real estate has been received by the
14 treasurer. The county treasurer may not collect, or receive,
15 or receipt for any taxes levied for county purposes upon
16 real estate situated wholly or in part within any irrigation
17 district upon which an assessment for the purposes of the
18 irrigation district has been levied unless the assessment
19 levied for irrigation district purposes is paid as permitted
20 in this section and the receipt for the payment presented to
21 the county treasurer at the time the taxes are paid, or paid
22 at the same time."

23 **Section 158.** Section 85-8-601, MCA, is amended to read:
24 "85-8-601. Certification and collection of district
25 taxes. (1) On or before the third Monday in August of each

1 year, the commissioners shall certify to the--agent--of the
 2 department of revenue in each county wherein the lands of
 3 the district are situate a correct list of all the district
 4 lands in such each county and the owners thereof of the
 5 lands, together with a statement of the amount of the total
 6 tax or assessment against said the lands for district
 7 purposes for that year. The agent--of--the department of
 8 revenue in--each--county shall immediately thereupon cause
 9 said enter the assessment roll to--be--entered in the
 10 assessment-book property tax record of said the county for
 11 each year and prior to the delivery of the assessment-book
 12 to the county treasurer.

13 (2) It shall be the duty of the The county treasurer of
 14 each county in which any a drainage district is located, in
 15 whole or in part, to shall collect and receipt for all taxes
 16 and assessments levied by any such the district, in the same
 17 manner and at the same time as is required in the collection
 18 of taxes upon real estate for county purposes as provided in
 19 15-16-102, provided However, the treasurer shall must
 20 receive from any taxpayer, at any time, the amount due on
 21 account of any district assessments of any kind, whether
 22 other taxes on the same real estate are paid or not. When
 23 any real estate on account of which such the district taxes
 24 and assessments have been levied has been sold to the county
 25 and tax certificate of sale is held by the county, the

1 taxpayer may pay to the treasurer at any time any semiannual
 2 installment of such the district tax or assessment, together
 3 with the penalty and interest to date of payment on such the
 4 installment, provided that such However, the payment shall
 5 may not be deemed considered a redemption of said the
 6 property from such the tax sale, but shall must be credited
 7 on account of any redemption that may thereafter later be
 8 made. In case of any payment pursuant to this subsection, a
 9 separate tax receipt shall--issue must be issued showing
 10 exactly what assessments have been paid and shall--show
 11 showing that no other tax on said the real estate has been
 12 received by said the treasurer, provided such However, the
 13 county treasurer shall may not collect, or receive, or
 14 receipt for any taxes levied for county purposes upon real
 15 estate situated wholly or in part within any drainage
 16 district upon which an assessment for the purposes of such
 17 the drainage district has been levied unless the assessment
 18 levied for such the drainage district purposes be is either
 19 paid as herein--permitted provided in this section and the
 20 receipt therefor is presented to the county treasurer at the
 21 time such the real estate taxes are paid, or paid at the
 22 same time the drainage district taxes are paid."

23 **Section 159.** Section 85-9-603, MCA, is amended to read:
 24 "85-9-603. Directors to provide county officials with
 25 financial information. (1) Before the second Monday in July

1 of each year, the directors shall provide the county
2 assessor department of revenue and the county treasurer
3 with:

- 4 (a) the budget for the current fiscal year;
- 5 (b) a statement of the amount of special assessments to
6 be collected for the districts; and
- 7 (c) a listing of all real property within the district.
- 8 (2) If the district is located in more than one county,
9 the directors shall provide this information to the
10 department of revenue and each of the affected county
11 assessors-and treasurers."

12 NEW SECTION. Section 160. Taxation of personal
13 property -- duty of department. (1) If the taxes on newly
14 discovered personal property are not a lien upon real
15 property in the same county in an amount sufficient to
16 secure the payment of the taxes, the department shall assess
17 the property and compute the tax for the assessment. The
18 department shall notify the county treasurer of the
19 assessment and the amount of taxes due. To compute the
20 taxes due on the personal property, the department shall use
21 the appropriate mills levied during the previous year.

22 (2) The county treasurer shall notify the person
23 against whom the tax is assessed and any other person having
24 a properly perfected security interest of record of the
25 amount and due date of the tax. The tax is due and payable

1 30 days from the date the treasurer mails the notice. Taxes
2 not paid within 30 days become delinquent, and the penalty
3 and interest provisions of 15-16-101 must be applied.

4 (3) The county treasurer shall, after the tax becomes
5 delinquent, levy upon and take into possession the personal
6 property against which a tax is assessed or any other
7 personal property in the hands of the delinquent taxpayer.
8 The county treasurer may proceed to sell the property in the
9 same manner as property is sold on execution by the sheriff.

10 (4) The county treasurer shall, for the purpose of
11 making the levy and sale, direct the sheriff to make the
12 levy and sale. The sheriff, undersheriff, or any deputy
13 sheriff of the county is ex officio a deputy county
14 treasurer for sale purposes and may receive payment of the
15 taxes, penalty, and interest. The sheriff may receive the
16 same fees as for making a seizure and sale as provided in
17 15-17-911.

18 (5) The county treasurer and the treasurer's sureties
19 are liable on the treasurer's official bond for all taxes on
20 personal property remaining uncollected by reason of the
21 willful failure and neglect of the treasurer to levy upon
22 and sell the personal property for the taxes levied upon the
23 property, including penalty and interest.

24 (6) Failure by the sheriff, undersheriff, or deputy
25 sheriff acting as a deputy county treasurer to make the levy

and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy sheriff for payment of the delinquent tax, including penalty and interest.

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24; part 17.

NEW SECTION. Section 161. Assessors qualifying as employees. (1) A person serving as a county assessor on January 1, 1994, may qualify to become an employee of the department of revenue upon satisfying the following conditions:

(a) The assessor shall notify the department in a written statement received by January 4, 1994, of the assessor's intention to become an employee.

(b) The assessor shall resign from that office effective no later than January 24, 1994.

(2) This section does not apply to a person who is an assessor because the office of assessor was consolidated with another county office prior to [the effective date of this section].

NEW SECTION. Section 162. Classification and salary for qualifying assessor. (1) The position for which a qualifying county assessor is employed as provided in [section 161] must be classified in accordance with the

classification standards for state employees.

(2) The initial salary for qualifying assessors is determined as follows:

(a) If an assessor's salary as established by resolution of the board of county commissioners for fiscal year 1994 is greater than the market salary under 2-18-312 for the grade of the new position, the initial salary is the same as the amount set by the resolution of the board of county commissioners.

(b) If an assessor's salary as established by the board of county commissioners for fiscal year 1994 is less than the applicable entry-level salary under 2-18-312, the initial salary is the entry-level salary for the grade of the new position.

(3) If, after initial employment, a qualifying assessor is transferred to a different position because of a disciplinary action against the assessor, the assessor's salary must be determined according to the rules and policies governing employee disciplinary actions.

(4) If, after initial employment, a qualifying assessor voluntarily seeks and obtains a transfer to a different employment position, the person's salary must be based upon the grade classification of that new position without regard to this section.

NEW SECTION. Section 163. Benefits for qualifying

1 assessors. (1) In addition to other benefits provided by
2 law, county assessors qualifying for employment with the
3 department of revenue under [section 161] are entitled to
4 the following benefits:

5 (a) credit for time served as an assessor for
6 completing new employee probationary requirements and for
7 determining years of service for annual vacation leave
8 entitlements;

9 (b) an initial allowance of annual leave of 40 hours.
10 Annual leave taken must first be credited against this
11 initial allowance. Cash compensation is not allowed under
12 2-18-617 for any portion of this initial allowance that is
13 unused at termination of employment.

14 (c) an initial allowance of sick leave of 40 hours.
15 Sick leave taken must first be credited against this initial
16 allowance. A lump-sum payment is not allowed under 2-18-618
17 for any portion of this initial allowance that remains at
18 termination of employment.

19 (2) All uninterrupted time served as an assessor is
20 considered as state service for the purposes of 2-18-304.

21 NEW SECTION. Section 164. Required employment --
22 department excused from hiring practices. (1) The department
23 of revenue shall employ:

24 (a) any assessor who qualifies under [section 161] to
25 become an employee of the department; and

1 (b) deputy assessors appointed before November 12,
2 1993, with continuous service through January 4, 1994, who
3 by that date make a written request for employment.

4 (2) The department is exempt from compliance with any
5 statute, rule, or policy that requires competitive, formal
6 hiring practices in employing qualifying assessors. Hiring
7 preferences and the provisions of Title 2, chapter 18, part
8 12, do not apply to the hiring of eligible former assessors.

9 (3) Deputy assessors who become employees of the
10 department are considered employees transferring between
11 agencies of the same jurisdiction for the purposes of
12 2-18-617 and 2-18-618.

13 NEW SECTION. Section 165. Department contract for
14 county assessor. In any county in which the county assessor
15 does not become an employee of the department of revenue,
16 the department may, with the consent of the assessor,
17 contract with the county for the assessor to perform
18 assessment work as assigned by the department. Under this
19 contract, the department shall reimburse the county for
20 one-half of the wages and benefits of the assessor. An
21 assessor performing work under this contract is not
22 considered to be an employee of the department for any
23 purpose. However, the department may pay the assessor's
24 salary and benefits and be reimbursed by the county for the
25 county's share of the salary and benefits.

1 **NEW SECTION. Section 166.** Consolidation of office of
2 county assessor -- special procedure -- transfer of records.

3 (1) The board of county commissioners may consolidate the
4 office of county assessor with another county office. For a
5 consolidation under this section, the notice of hearing need
6 only be published once, notwithstanding the provisions of
7 7-1-2121. The publication may not be less than 3 days prior
8 to the date of the hearing. In all other respects, the
9 notice must be published in accordance with 7-4-2307.

10 (2) If the assessor becomes an employee of the
11 department of revenue as provided in [section 161], the
12 order of the county commissioners combining the offices
13 under this section must be made and entered no later than
14 January 14, 1994.

15 (3) Notwithstanding the provisions of 7-4-2311, when an
16 order is made under subsection (2) to consolidate the office
17 of assessor with another office, the outgoing assessor shall
18 deliver and transfer to the department all of the books,
19 files, papers, documents, maps, plats, and records of the
20 office.

21 **NEW SECTION. Section 167.** State not obliged to
22 reimburse county for assessor salary. Except for contracts
23 under [section 165] between the department of revenue and a
24 county regarding its county assessor, the department may not
25 pay or reimburse a county for any part of the salary or

1 benefits earned by an assessor or deputy assessor after
2 January 14, 1994.

3 **NEW SECTION. Section 168.** Advisory committee -- study
4 of taxation of motor vehicles and mobile homes. (1) The
5 governor shall appoint an advisory committee to study the
6 valuation and taxation of motor vehicles and mobile homes.
7 The membership of the committee must include:

- 8 (a) a county treasurer;
- 9 (b) a county assessor (or former county assessor);
- 10 (c) an employee of the department of justice, motor
11 vehicle division, selected by the division administrator;
- 12 (d) an employee of the department of transportation,
13 selected by the director of the department of
14 transportation; and
- 15 (e) an employee of the department of revenue, property
16 assessment division, selected by the division administrator.

17 (2) The committee shall meet when requested by the
18 director of revenue.

19 (3) The committee shall study methods and processes for
20 valuation and taxation of motor vehicles and mobile homes.
21 The committee shall submit its recommendations to the
22 director of revenue.

23 (4) All administrative and secretarial support for the
24 committee is provided by the department of revenue.

25 (5) All reimbursable expenses, including travel and per

diem expenses, must be charged to the department of revenue.

NEW SECTION. Section 169. Appropriations. (1) The fiscal 1995 general fund appropriation for the property valuation division, department of revenue, as specified under item 7, page 2607, section 15, Chapter 623, Laws of 1993, including any amendments by the special session convening November 29, 1993, is reduced by \$1,200,000.

(2) There is appropriated to the department of revenue from the account provided for in [section 2] an amount not to exceed \$1 million for each year of the biennium.

NEW SECTION. Section 170. Repealer. Sections 7-2-2753, 7-6-2540, 15-1-403, 15-1-506, 15-7-213, 15-8-103, 15-8-105, 15-8-106, 15-8-114, 15-8-302, 15-8-705, 15-8-706, 15-9-102, 15-10-301, 15-10-302, 15-10-303, 15-10-304, 15-10-306, 15-10-307, 15-10-308, 15-16-111, 15-16-112, 15-16-113, 15-16-114, and 15-30-228, MCA, are repealed.

NEW SECTION. Section 171. Codification instructions. (1) [Section 2] is intended to be codified as an integral part of Title 15, chapter 1, part 5, and the provisions of Title 15, chapter 1, part 5, apply to [section 2].

(2) [Section 160] is intended to be codified as an integral part of Title 15, chapter 16, part 1, and the provisions of Title 15, chapter 16, part 1, apply to [section 160].

NEW SECTION. Section 172. Applicability. (1) [Sections

161 through 167] apply retroactively, within the meaning of 1-2-109, to terminations on or after June 25, 1993.

(2) [Sections 1 through 160, 168, and 170] apply to tax years after December 31, 1993.

NEW SECTION. Section 173. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 174. Effective dates. (1) [Sections 1 through 160, 168, and 170] are effective January 1, 1994.

(2) [Sections 161 through 167, 169, and 171 through 173 and this section] are effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0050, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act restructuring the property valuation and assessment functions of the Department of Revenue, generally revising property tax assessment and levy procedures to conform with practice and advanced technology for assessment, computation and levy of taxes, reducing the appropriation for the property appraisal program, creating a property valuation improvement account and providing an appropriation from this account.

ASSUMPTIONS:

1. The Department of Revenue will reduce the number of middle management positions.
2. The department will reduce the central office staffing by the same percentage as field office reductions.
3. All deputy assessors will become state employees.
4. The department will take advantage of early retirement savings.
5. The department will charge private entities for the use of its technological services. The funds received from this charge will be used by the department for the upgrading of technological equipment.
6. The department may restructure, group counties, or move positions as may be required to achieve the necessary savings.
7. The department is allowed to adjust field office hours.
8. The net savings is in addition to the 5% vacancy savings assigned to the division by the 1993 regular session of the legislature.
9. The department contracts the assessor duties with eleven counties. Currently there are 29 counties in the process of or completing consolidation of the appraisal and assessment duties.

FISCAL IMPACT:Expenditures:

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Property Appraisal (HB2)						
FTE	407.56	407.56	0.00	398.06	353.06	(45.00)
Personal Services	10,610,859	10,610,859	0	10,573,610	9,373,610	(1,200,000)
Operating Expenses	1,850,077	1,850,077	0	1,864,956	1,864,956	0
Equipment	165,475	165,475	0	165,270	165,270	0
Debt Service	269,741	269,741	0	269,741	269,741	0
General Fund	12,896,152	12,896,152	0	12,873,577	11,673,577	(1,200,000)

(continued)


 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 12-6-
 EMILY SWANSON, PRIMARY SPONSOR DATE
 Fiscal Note for HB0050, as introduced.

HB 50

FISCAL IMPACT: (continued)

Property Appraisal (HB50)

Property Improvement Account (02)	0	0	1,000,000	0	0	1,000,000
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Expenditures from the property valuation improvement account provided for in the proposed legislation would be limited to revenues received from fees. It is considered highly unlikely that the department will receive \$1,000,000 per year in such fees.

Revenues:

The proposed legislation authorizes the Department of Revenue to charge fees for access to data contained on the Computerize Mass Appraisal System (CAMAS). There is insufficient information available at this time to project the amount of fee revenue which would be collected in the 1995 biennium.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The state will pay all of the salary and benefits for the assessor positions in counties that choose to eliminate the separate elected assessor position. In the counties that retain the elected assessor position, the state will contract to pay 50% of the initial personal service compensation of the assessor. Savings to counties will depend upon the number of counties which choose consolidation.

MINUTES

**MONTANA HOUSE OF REPRESENTATIVES
53rd LEGISLATURE - SPECIAL SESSION**

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN TOM ZOOK**, on December 6, 1993, at
8:00 a.m.

ROLL CALL

Members Present:

Rep. Tom Zook, Chairman (R)
Rep. Ed Grady, Vice Chairman (R)
Rep. Francis Bardanouve (D)
Rep. Ernest Bergsagel (R)
Rep. John Cobb (R)
Rep. Roger Debruycker (R)
Rep. Marj Fisher (R)
Rep. John Johnson (D)
Rep. Royal Johnson (R)
Rep. Mike Kadas (D)
Rep. Betty Lou Kasten (R)
Rep. Red Menahan (D)
Rep. Linda Nelson (D)
Rep. Ray Peck (D)
Rep. Mary Lou Peterson (R)
Rep. Joe Quilici (D)
Rep. Dave Wanzenried (D)
Rep. Bill Wiseman (R)

Members Excused: None

Members Absent: None

Staff Present: Clayton Schenck, Legislative Fiscal Analyst
Cathy Kelley, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing:	HB 39	
	HB 41	
	HB 50	
Executive Action:	HB 5	Tabled
	HB 21	Do Pass As Amended
	HB 30	Do Pass As Amended

HEARING ON HOUSE BILL 50

Opening Statement by Sponsor:

REP. EMILY SWANSON, House District 79, Bozeman, stated that this bill proposes to save \$1.2 million by reorganizing the property valuation division of the Department of Revenue, making its function more coordinated and more efficient. County assessors, deputy assessors, and Department of Revenue personnel in Helena have all worked on this bill.

REP. SWANSON said the bill allows each county to choose one of several options: (1) they can come to the state as employees of the state; (2) they can reduce the assessor's position from an elected assessor to an assessment supervisor and have both the assessor and deputy assessor become employees of the state; and (3) the county treasurer can become a treasurer/assessor, with the title but no formal duties. The bill eliminates area managers, so there is reduction in mid-level management. District supervision will be provided by one of the assessment supervisors who would have responsibility for several counties. The bill reduces staff in Helena by 10%. Most of the savings would come from vacancy savings stored up over the last year. To the best of REP. SWANSON'S knowledge, no one who is currently employed as a county assessor or deputy assessor would be put out of a job, although they may be assigned to another geographical location. Some will qualify for early retirement. The department estimates approximately 45 positions will be reduced through this reorganization, resulting in the bulk of the projected savings.

REP. SWANSON distributed a map, EXHIBIT 1, that showed how each county is currently dealing with this proposal. A number of counties have already been going through the process. She noted that one county, Petroleum, has chosen another option, i.e. to retain the elected assessor's position and to contract with the state.

REP. SWANSON pointed out that in Sections 1 and 2 of the bill, the department is allowed to recover a portion of its cost in developing and maintaining the computer-assisted mass appraisal system. If the department rents out that data base, it will charge for it. That money will be used to keep computer technology up to date. Section 9 identifies the qualifications for the office of county assessor in those counties that choose to keep an elected assessor. Sections 105-114 change the date as to when livestock is assessed from March 1 to January 1. Section 127 provides an additional window of eligibility for the transfer of elected assessors and deputy assessors to allow them to qualify for the early retirement program. Section 162 addresses the situation where the current acting assessor does not choose to become a state employee and the county chooses to retain the separate office of assessor, setting up the contract situation

with the department. Section 163 provides the ability to consolidate the office of assessor with another county. Section 164 details under what circumstances the department may reimburse the county, setting it up at a 50-50 split. Section 166 contains the \$1.2 million general fund appropriation reduction.

Proponents' Testimony:

Randy Wilke, Appraisal/Assessment Bureau Chief, Property Assessment Division, Department of Revenue, distributed EXHIBIT 2, the department's proposed amendments to the bill. He stated that these amendments were designed to cover oversights in the bill drafting process. He pointed out that much of the proposed change in the bill can also be called simple clarification or acknowledgment of current property taxation practices and work load. The bill eliminates references to the "county assessor" and replaces them with the "department of revenue." The bill replaces the term "assessment" with "property tax records." He said much of the bill cleans up old and out-dated language.

Mr. Wilke said the department's first amendment was a statement of intent regarding restructuring the property assessment program. It emphasizes the state's constitutional role in appraising and assessing property. The other amendments deal with livestock assessment. Moving to a January date is important to the work flow of the department, and the department intends to make that change effective in 1995.

Mr. Wilke pointed out specific sections of the bill, noting that Sections 7 and 8 deal with the elimination of deputy county assessors in the future. Sections 41 and 42 deal with certification and training of appraisers. Section 63 might help save some money. Section 78 is the first time the process for calculating tax has been identified. Mr. Wilke said there has been some confusion in the past as to whether assessors and deputy assessors are state employees or local government employees and this bill will clarify that. Mr. Wilke said his department had been working on this bill for months, forming committees to analyze work load, work efficiency, and organizational structures. He felt that every portion of the resulting bill was important.

Cele Pohle, President, Montana Assessors Association, said her association had worked with the department on this bill. EXHIBIT 3. She read a letter from Donna Kennedy, Rosebud County Assessor. EXHIBIT 4

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. COBB noted that before the department had reached the compromise referred to in EXHIBIT 3, estimated savings was \$1.2 million. He asked Mr. Wilke how he planned to still save this

amount of money with fewer people losing their jobs. Mr. Wilke said from a statewide perspective, there are positions that are now vacant. The department had known it was moving in the direction of restructuring and had been planning for that. It would be moving some people between counties. The plan allows the department to redirect its resources, moving people from less populated counties. Mr. Wilke said the department was forming groups to provide a concrete plan of attack to insure the money was saved. REP. COBB recapped by saying that originally the department had estimated saving \$1.2 million. It is now betting that it can still save that money, but it was not quite sure how it was going to do it, considering a compromise reached with the county assessors.

REP. DEBRUYCKER said that before the assessors agreed to this plan, he had received several letters from the assessors asking what would happen if the assessor was left in a county and it became a state-run entity. The assessors wondered whether the assessors would lease the space that they now have from the county or if the assessor's office and equipment would be moved to another building. REP. SWANSON said Section 26 continues to require counties to furnish space for use by Department of Revenue assessment and appraisal staff if such space is reasonably available. Mr. Wilke said the bill would leave the situation as it is. The county provides space and this bill would not change that.

REP. DEBRUYCKER said he had been told that a lot of county computer equipment was not compatible with the state. Mr. Wilke said he was not aware of any situations where the state and county were not able to effectively share information. There had been situations where modifications were required, but that had always been taken care of.

REP. WISEMAN said he had a problem in his district regarding property in a flood plain zone. People in his district feel that evaluation of property in those zones fluctuates excessively up and down. Mr. Wilke said normally there are maps in counties designating those areas. His staff is charged to apply the market value of that particular property. He said he would be glad to look at any situation where the market value varied widely from year to year.

REP. NELSON said she was having difficulty seeing where the \$1.2 million savings was going to come from. She wanted to know exactly what portion of costs the state paid for appraisers and deputies now as opposed to what it would pay under this bill. Mr. Wilke said now the state pays 100% of the salary of the appraisers and the appraisal staff. Currently the department pays 100% of the assessment staff, except the assessor and the deputy. The department pays 65-70% of the assessor and deputy assessor's salary. The department pays 100% of health care benefits. REP. NELSON asked what the department would pay under this bill. Mr. Wilke noted that the state had been paying for

some time 100% of the salary and benefits for the counties that have gone through consolidation. He said there were some counties in certain areas of the state where the department hoped to become more efficient and do the work with fewer people.

REP. NELSON asked whether, if the assessor was appointed, the state would pay 100% of the salary, but if it would be a 50/50 split for an elected assessor. Mr. Wilke said there are already some counties where all the people performing assessment and appraisal functions are state employees. There will be situations where assessors would choose to become state employees. If that were to occur, the county would go through an abbreviated office consolidation process and give the assessor title to another individual. All the duties of the assessment office would be contracted to department employees. A county might feel strongly about retaining the elected assessor position. This bill provides for the county to retain the assessor and requires the department to contract with the county for that assessment work to be done by that elected assessor. In that situation the department would pay 50% of the salary.

REP. NELSON asked whether the counties could charge rent if they did not want to provide office space any more. Mr. Wilke said the department worked hard to keep good relationships with local government. He didn't think this bill allowed the counties to charge the state rent for that space, although they could probably argue that there isn't any reasonable space available in the courthouse, in which case the state would be required to lease space outside the courthouse. Normally, the counties realize it is important to have the appraisal and assessment functions in the courthouse for access and availability.

REP. NELSON said the bill looked like a win/win situation for the assessors, but not quite as good for the people, since the people will be dealing with the department and the assessor will be somewhat of a figurehead. Mr. Wilke said he would hope no one would be treated any differently. The assessors will not be figureheads; they will be performing the same functions they have always performed. The department has asked local government officials and taxpayers in counties that have gone through consolidation if they have had any problems and the department has not found any.

REP. NELSON asked if in the long run savings must have to come from regionalization. Mr. Wilke said savings come from fewer employees. To be able to do that requires dependance on groups working closely together. There will be counties with staff reductions.

REP. NELSON asked about the status of Daniels, Roosevelt, and Sheridan counties, and Mr. Wilke said Roosevelt was the only one seeking information about consolidation.

REP. QUILICI said during the last session, one of the bones of

contention was the deputy county assessors. This bill says that the deputy assessors will have the same preferences and benefits that they have now. He asked for elaboration on that point. Mr. Wilke said they would have all the rights and benefits any other state employee would enjoy. As the department analyzes county work loads, it may be that some deputy assessors may need to consider a job in an adjoining county.

REP. QUILICI asked about the user fee for the CAMUS system in Section 1, p. 4. He wanted to know how much money that would generate. Mr. Wilke said no one knew at this time. REP. QUILICI asked if those fees would be charged to counties and cities. Mr. Wilke said there was no intent to charge local governments.

REP. WANZENRIED asked about p. 8, line 23, having to do with qualifications of assessors. He noted on p. 9 that all the additional qualifications beyond the constitutional oath of office were stricken. He asked Mr. Wilke to elaborate on whether those qualifications would no longer be required. Mr. Wilke said that the language on p. 9 had been moved to a different location in the bill. REP. WANZENRIED asked what qualifications assessors would be required to have. Mr. Wilke said they would have the normal office requirements, not a specific certification, and the state would contract with them. REP. WANZENRIED said some areas felt the assessor needed additional qualifications to hold that office, i.e. in order to do the job properly. He asked why the qualifications were being reduced. Mr. Wilke said that employees in the Department of Revenue doing assessment work will have to go through certification requirements. In counties that elect to retain the elected assessor position, it will be the department's responsibility to contract with the elected assessors and possibly place in that contract some of those types of requirements. REP. WANZENRIED said if the department did not put those requirements in, the assessor would be a figurehead. Mr. Wilke said the normal situation would be, regarding a county that has retained an elected assessor, the state would contract with the county to perform assessment functions. Mr. Wilke felt that people who accept assessment positions initially will have met these types of requirements. REP. WANZENRIED asked whether, if a county entered into a consolidation agreement and was not satisfied with it, it could reverse the process. Mr. Wilke said counties couldn't un-consolidate.

REP. WANZENRIED asked, of the 174 sections in this bill, which sections actually have substantive changes in law. Mr. Wilke said he would provide an outline.

REP. WANZENRIED asked in consolidated counties what portion of the elected official's salary is paid by the state. Mr. Wilke said the state pays 100% of the salaries in the appraisal and assessment offices. REP. WANZENRIED asked if the department could achieve any administrative savings if this bill didn't pass, or if this bill achieved something that couldn't be done any other way. Mr. Wilke said there could be some savings, but

in terms of statewide efficiency, all the elements of the bill were required. REP. WANZENRIED said he would like to see how the department had arrived at the \$1.2 million figure.

REP. BERGSAGEL asked, regarding fees assessed in Section 2, where the fees were going now. Mr. Wilke said the department was not collecting fees now. REP. BERGSAGEL referred to Section 11 and suggested that the department was going to charge cities and counties. Mr. Wilke said the intent was not to charge fees to cities and counties. This section dealt with private individuals who needed to access large quantities of information.

REP. BERGSAGEL pointed out that Section 11 specifically said that "the department may charge cities and towns 5 cents per folio of 100 words for each copy. . . ." Mr. Wilke said that language was old. The department does not charge cities and towns.

REP. BERGSAGEL asked about the CAMUS system, a system whereby local assessors enter information and it is transported to the state for manipulation, fact selection, etc. Mr. Wilke said the county appraisal staff use that system like a giant calculator, but it doesn't take away their responsibility to use good appraisal judgment as they value property. It is the best tool they have to perform that function. REP. BERGSAGEL asked if that was the information referred to in Section 11. Mr. Wilke said that property tax records are current on the computer system all the time. The information in the appraisal system pertains to real property. The CAMUS system is a "subset" of the information in Section 11.

REP. BERGSAGEL found it interesting that the department indicated it never charged cities or towns for information that they have collected, but now there was a new section of law creating an account for those monies. REP. BERGSAGEL wanted to be sure the language on p. 30, line 15, referring to "mines, minerals, quarries, and timber" didn't take away any monies delegated to the counties and cities. Dave Nelson, staff attorney, said that was merely a Legislative Council change and didn't divert any monies.

REP. BERGSAGEL said that because of changing the dates for assessment of livestock from March 1 to January 1, there is the potential for those individuals who liquidate their cattle herds after the first of the year to be doubly assessed for a three-month period. He asked Mr. Wilke if he had worked out a way to ameliorate that situation. Mr. Wilke asked if REP. BERGSAGEL was talking about the entire herd being liquidated. REP. BERGSAGEL said he was talking about cattle nine months or younger. Mr. Wilke said that currently cattle under 24 months are exempt from taxation.

REP. ROYAL JOHNSON asked, regarding Sections 41 and 42, whether the department was going to add some additional courses for training. He wanted to know what exactly the department was

going to do. Mr. Wilke said that the same types of courses would be given. REP. JOHNSON said he had heard that potential appraisers had a difficult time meeting requirements. He noted that Section 42, p. 46, line 21, changed the language requiring an appraiser to obtain a certificate in appraising residential property from "must" to "shall." Mr. Wilke said "must" and "shall" meant the same thing. Appraisers in the property assessment division are required to be certified.

REP. JOHNSON said one of the certification requirements for a residential appraiser was a certain amount of time working with an appraiser as an assistant. He noted that this was a problem for people in small communities who couldn't leave their present jobs in the community to travel to a larger city to work with a certified appraiser. REP. JOHNSON wondered if the department would have sufficient appraisers in those smaller areas. Mr. Wilke said REP. JOHNSON might be confusing requirements for being a certified appraiser with the Department of Commerce with federal requirements. While department staff are encouraged to meet those requirements and many of them do, they are separate and apart from the certification requirements the department has for its division staff. Federal requirements for the Department of Commerce require a potential appraiser to work with a certified appraiser for a certain amount of time with a certain number of appraisals. The Department of Revenue's requirements are to pass a specific course, to perform an acceptable number of appraisals, etc. He felt the best teacher his staff has is the public.

REP. JOHNSON said that it seemed to him the bill changed the mechanics of the appraisal process, but it didn't change the basic appraisal process. Mr. Wilke said it didn't change the methodology of appraisal. He felt it did more in terms of clarifying the assessment side of the process.

CHAIRMAN ZOOK responded to Mr. Wilke's statement about the 24 month exemption for cattle, and pointed out on p. 121 of the bill that there is a per capita tax on poultry, beef, swine, etc. nine months of age or older. He said, since in agriculture there was no longer the ability to do income averaging, and since there was price volatility in agriculture, sometimes there was a need to move income into the next year. He felt that by moving the date to January 1, the ability for many people to do that was eliminated. He stated that the fiscal year of many sub-chapter (s) corporations ended at some point in October, so they would still have some flexibility. But family ranch operations would be limited under this change. He asked Mr. Wilke why the date was changed. Mr. Wilke said the reason for the change was to allow a reduced staff to handle the work load as efficiently as possible.

CHAIRMAN ZOOK felt that if other taxpayers had to have information in by the 1st of February then the department should be well under way processing that and the date in March shouldn't

be too much of a hardship for the department. He said the January date could create a real hardship for a lot of people. He realized this could speed up work for the department, but he felt it was the Department of Revenue's job to serve the public, not vice versa. Mr. Wilke said the department wanted to do the right thing by the taxpayers, but they were trying to plan for reduced staff.

REP. BARDANOUE stated he was not sure where the \$1.2 million savings came from, and he was not sure the department knew either. He felt that the compromise just meant the state would be paying money it shouldn't be paying. Mr. Wilke said the savings comes from reduced staff, from identifying workload and moving people. It was true the department did not have a perfectly completed plan. REP. BARDANOUE wanted to know if there was a more efficient way than the current proposal. Mr. Wilke said they believed they were doing their best.

REP. FISHER asked Mr. Wilke whether the assessors had to take certification training or not since the qualifications on p. 9, lines 5-20 were stricken. Mr. Wilke said they did not.

REP. FISHER suggested that the department bring an amendment striking the language in Section 11 on p. 10 that states cities and towns will be charged.

REP. BERGSAGEL asked the department again to assure him that livestock owners would not be paying three months of double taxation. He also stated that there was an error on p. 5, line 8; the language should refer to 2-6-110(3) instead of 2-6-110(4).

REP. PECK asked Ken Morrison, Administrator, Property Assessment Division, Department of Revenue, if he had talked to the county commissioners about this bill. REP. PECK asked what the position of their association was. Mr. Morrison said they had no formal position, but he felt they were comfortable with the direction of the bill. He qualified that statement by saying there were undoubtedly some commissioners who did not want consolidation, but the compromise should help there.

REP. PECK felt Mr. Wilke was trying to avoid saying this bill would lead to regionalization. REP. PECK felt it was important to say the bill would lead to regionalization; every small county would not have an assessor like there is now. Mr. Morrison said the bill would lead to regionalization, but the department intends to maintain a local presence. REP. PECK asked then if the department would have an employee of some type carrying on the functions in that county. Mr. Morrison said that was correct. REP. PECK said that was where the savings would come, and he approved of it.

REP. NELSON asked about Section 167, p. 177, where counties had to make their decision by January 14, 1994. She wanted to know

if counties kept their elected assessor, what control would the department have over that person. Mr. Morrison said the state would initially contract with that county assessor. That contract would provide for an evaluation of the work done by that assessor. If the assessor did not meet the terms of the contract, the department would no longer assign work to that county assessor, nor would it pay any share of the assessor's salary.

REP. NELSON asked if, according to the department's amendments, EXHIBIT 2, the assessor's office would perhaps not be open as many hours as presently. Mr. Morrison said the department would be looking at those types of things, considering the needs of the citizens in the community.

REP. COBB asked Mr. Morrison if the January 14th deadline was acceptable. Mr. Morrison said the department had selected the date because of the filing requirements for the office.

REP. DEBRUYCKER asked Mr. Wilke if it was true that the counties would still furnish office space free of charge. Mr. Wilke said that was correct. REP. DEBRUYCKER asked if there were any regulations as to the quality of the office space. Mr. Wilke said there were no specific regulations, but the counties had always done well by the department. The department had anticipated in some small way helping counties remodel.

Closing by Sponsor:

REP. SWANSON thanked the Department of Revenue for their work trying to downsize government and create efficiencies. She stated that employees on the ground floor doing the work had been involved in this bill, and that, in response to REP. BARDANOUVE, was the best way to accomplish this task. She said the department was meeting with livestock owners to insure that livestock was not double taxed. She supported the department's efforts to move the date to January because in their effort to become more efficient, they might not be able to provide all the services that were provided in the past. She asked the committee to amend out the language referring to charging cities and towns. She closed by clarifying her understanding that if we are moving away from an elected assessor, we are also moving away from the need for the position title to have training. If we have a contractual agreement with the county to provide assessment duties, the contract will cover training requirements. Thus we will not allow someone to do the assessor's job without training.

HEARING ON HOUSE BILL 39

Opening Statement by Sponsor:

REP. SCOTT ORR, House District 2, Libby, stated that this bill would establish a pilot leasing program for the state motor pool. He noted that the state owns almost 6,000 vehicles. This bill

HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE

ROLL CALL

DATE 12/06/93

NAME	PRESENT	ABSENT	EXCUSED
REP. ED GRADY, VICE CHAIRMAN	X		
REP. FRANCIS BARDANOUVE	X		
REP. ERNEST BERGSAGEL	X		
REP. JOHN COBB	X		
REP. ROGER DE BRUYCKER	X		
REP. MARJORIE FISHER	X		
REP. JOHN JOHNSON	X		
REP. ROYAL JOHNSON	X		
REP. MIKE KADAS	X		
REP. BETTY LOU KASTEN	X		
REP. WM. "RED" MENAHAN	X		
REP. LINDA NELSON	X		
REP. RAY PECK	X		
REP. MARY LOU PETERSON	X		
REP. JOE QUILICI	X		
REP. DAVE WANZENRIED	X		
REP. BILL WISEMAN	X		
REP. TOM ZOOK, CHAIRMAN	X		

HR:1993

wp.rollcall.man

CS-09

Amendments to House Bill 50
Introduced Reading Copy

Prepared by Department of Revenue
12/ 6/93

1. Page 3.

Following: line 12

Insert:

"STATEMENT OF INTENT

With the adoption of the 1972 Montana Constitution, the state assumed responsibility for the appraisal, assessment and valuation of property for property tax administration. Though the state was granted this new responsibility and authority by the Constitution, assessors were permitted to be retained by local governments to assist the state in the assessment function, acting as agents of the department of revenue. Through the implementation and use of electronic data processing and other technological advances, many of the assessment functions previously performed by county assessors have changed dramatically.

Recognizing the need to make state and local government more responsive and efficient, it is the intent of the legislature that all appraisal and assessment duties relating to property taxation be assigned to the department of revenue. This action transfers from county assessors to the department of revenue the responsibility and authority to perform any assessment functions.

Acknowledging the talents and skills of assessors, it is the intent of the legislature that current assessors may choose to become employees of the department of revenue and their respective counties may consolidate the office of assessor with another county office.

If the current acting assessor does not choose to become a state employee and the county chooses to retain the separate office of assessor, the department of revenue will, with the consent of the assessor, contract with the county for the assessor to perform specific duties as assigned by the department. If under this agreement the assessor produces satisfactory work quality and output for the department, the department will continue the contract as long as the person currently serving as county assessor retains the assessor position. The department may also contract for any successor county assessor in counties that retain the separate office of assessor to perform duties assigned by the department.

It is further the intent of the legislature that all present deputy assessors will become employees of the department of revenue with the same preferences and benefits as other state employees.

To allow for the efficient administration of the property tax appraisal and assessment, it is the intent of the legislature that the department of revenue utilize other efficiency measures such as consolidating neighboring county appraisal and assessment offices, adjustment of office hours of department field offices, and restructuring the organizational structure of the property

assessment division.

The legislature grants to the department of revenue general rule making authority for the accomplishment of these administrative changes."

2. Page 116.

Following: line 23

Insert: "Section 112. Section 15-24-902, MCA, is amended to read:

"15-24-902. Assessment of livestock. The department of ~~revenue or its agent~~ shall assess all nonexempt livestock in each county where they are located on March 1 of each year. The livestock must be assessed to the person by whom they were owned or claimed or in whose possession or control they were at midnight of March 1 in that year.""

Renumber: subsequent sections

3. Page 117, line 15.

Following: "March"

Insert: "1,"

4. Page 117.

Following: line 22

Insert: "Section 115. Section 15-24-903, MCA, is amended to read:

"15-24-903. Duty of owner to assist in assessment. (1) The owner of livestock, as defined in 15-24-901, or his the owner's agent, at the time of assessment shall make and deliver to the department of ~~revenue or its agent~~ in for the county or counties where his the owner's livestock were located on March January 1, a written statement, under oath, ~~showing the listing~~ the owner's different kinds of his livestock within the county or counties belonging to him or under his charge, together with a listing of their marks and brands.

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date.""

Renumber: subsequent sections

5. Page 118.

Following: line 6

Insert: "Section 117. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state -- notice to department of revenue ~~or its agent~~. The owner or the agent, manager, or foreman supervisor of any person, corporation, or association bringing livestock into this state after March 1 shall immediately after said the livestock cross the state line forward to the department of revenue ~~or its agent in the county into which the livestock are moved~~ a registered or certified letter, which letter shall contain the name of the owner of such livestock, the number thereof, the brand thereon, and the ages of the same, together with the time and place at which said the livestock were

brought across the state line, and the county or counties into which the livestock are moved. ~~provided that the~~ The department of livestock shall furnish at least once each month furnish from its own records to the department of revenue ~~or its agent in the~~ county into which such livestock are moved a list of the number and kind of livestock so moved, together with the name of the owner thereof.""

Renumber: subsequent sections

6. Page 52.

Following: line 21

Strike: sections 51 and 52 in their entirety

Renumber: subsequent sections

7. Page 171, line 13 through 14.

Following: "on"

Strike: "newly discovered"

8. Page 176, lines 14 through 15.

Following: "assessor."

Strike: "In any county in which the county assessor does not become an employee of the department of revenue, the"

Insert: "The"

9. Page 176, line 16.

Following: "department"

Insert: "of revenue"

10. Page 179.

Following: line 1

Insert: "NEW SECTION. Section 170. Notwithstanding 2-16-117, the department of revenue may determine by rule the office hours for property appraisal and assessment field offices located in the various counties. This section does not apply to any other offices of the department of revenue."

Renumber: subsequent sections

11. Pages 179 and 180, lines 25 through 1.

Following: "(1) "

Strike: "[Sections 161 through 167] apply"

Insert: "[Section 131] applies"

12. Page 180, line 3.

Following: "Sections"

Strike: "1 through 160, 168, and 170"

Insert: "1 through 110, 112, 114 through 115, 117 through 130, 132 through 161, 169 through 170, and 172"

13. Page 180.

Following: line 4

Insert: "(3) [Sections 111, 113, and 116] apply to tax years after December 31, 1994."

14. Page 180, line 12.

Following: "Sections"

Strike: "1 through 160, 168, and 170"

Insert: "1 through 130, 132 through 161, 169 through 170, and 172"

15. Page 180, line 14.

Following: "Sections"

Strike: "161 through 167, 169, and 171 through 173"

Insert: "131, 162 through 168, 171, and 173 through 175"

REASON FOR AMENDMENT:

The amendments make the changes in assessing livestock as of March 1 to January 1 applicable for tax years starting after December 31, 1994.

A new section is added allowing the Department of Revenue flexibility to set the office hours in county field offices to times other than 8:00 a.m. to 5:00 p.m. Under this new section the Department could reduce the office hours from the normal 8 hours per day.

These amendments allow the Department to contract with any county for assessor assistance and not just limited to those counties in which the current assessor does not elect to become any employee. This amendment permits the Department to contract in the future with counties that have had a change in assessors from the current time.

The other changes are corrections to typographical errors.

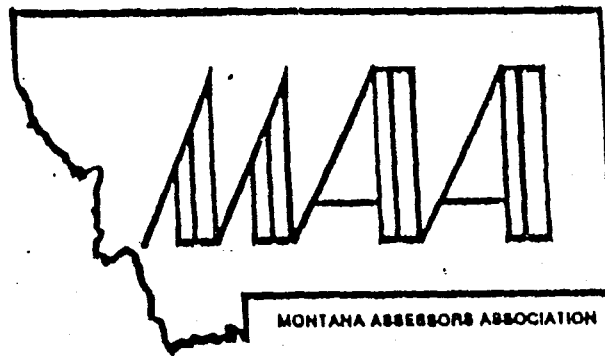


EXHIBIT 3
DATE 12/16/93
HE 50

Mr. Chairman and Members of the Committee:

My name is Cele Pohle. I am President of the Montana Assessors Association.

The Montana Assessors Association and the Department of Revenue have worked together on H.B. 50.

The Association believes that the compromises that have been reached are in the best interests of both State and County Governments.

County Government is given the option of retaining the elected assessor through a contractual agreement with Department of Revenue for the duties of the assessor.

The Deputy Assessors will become state employees and retain all their benefits.

The Department of Revenue is given flexible management of the remaining personnel so that regionalization may occur as soon as possible.

We believe that the best interests of all parties have been addressed and achieved in H.B. 50.

The Montana Assessors Association recommends a do pass on H.B. 50.

Cele Pohle
President
Montana Assessors Association

EXHIBIT 4

DATE

12/6/93

HB

50

Rosebud Co. Fran Kennedy

Forsyth MTL
356 7166

Commissioners:
Donald Bailey
Mark Pinkerton
Duane C. Martens

Forsyth, Montana 59327

Attorney:
John Foreythe

Clerk & Recorder:
Geraldine Nile

Superintendent of
Schools:
Sharyn Thomas

Treasurer:
Sharon Lincoln

Justice of the Peace:
David J. Polley - Forsyth
Ann Wagner - Colstrip

Clerk of District Court:
Marilyn Hollister

Sheriff:
Kurt Seward

Assessor:
Donna Kennedy

December 6, 1993

Chairman,

Members of the Committee,

I am Donna Kennedy, Rosebud County Assessor.

As some of you are aware, there has been over the past few years a concern as to where the elected Assessor should be placed in the structure of the Property Assessment Division.

At the present time within the 56 Counties this position is at a number of points on the spectrum. Some counties have had an elected assessor consolidated with another elected office for a number of years. This then leaves the county with a state employee (the assessor supervisor) who is funded fully by the State.

There are other counties that are in the various stages of becoming consolidated which this Bill will facilitate.

Some counties are in favor of a 50/50 partnership with the State, this is also an option that H.B. 50 will accommodate.

Both to these options give each individual county and the Department of Revenue an opportunity to create the best scenario for the tax payers of that county.

I also see this legislation allowing the assessment process within each county to remain uniform throughout the state.

I would also like to take the opportunity to put before you the feeling I hold as to the importance of keeping in place the elected assessor. This elected status only strengthens the connection between the taxpayer/voter, the commissioners of each county, the Department of Revenue and as I hope you yourselves realize, the legislature.

We the elected Assessors, hold a responsibility to all of the above and in the same vein do exhibit a check and balance that has proven more than once to be a valuable asset to all of these entities.

I than would encourage a do pass on HB 50.

HOUSE OF REPRESENTATIVES

VISITOR'S REGISTER

Appropriations COMMITTEE BILL NO. HB 50
 DATE Dec. 6, 1993 SPONSOR(S) E. Swanson

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Cele Pohle	Assessors	50		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

MINUTES

**MONTANA SENATE
53rd LEGISLATURE - SPECIAL SESSION**

COMMITTEE ON TAXATION

Call to Order: By Senator Halligan, Chair, on December 15, 1993,
at 9:12 a.m.

ROLL CALL

Members Present:

Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Spook Stang (D)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)

Members Excused: Senator Yellowtail

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Beth Satre, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 57, HB 50, SB 47
Executive Action: HB 57, HB 36, SB 42

HEARING ON HOUSE BILL 57

Opening Statement by Sponsor:

Representative Chase Hibbard, House District 46, informed the Committee that the House had amended HB 57 to clarify its credit provisions and had added a new section directing the Department of Revenue (DOR) to certify to the governor that the lawsuit was a class action and a full and final compromise and release of all claims could be entered into between the state and the class. This amendment, he explained, was to ensure that the state could satisfy its obligation by reimbursing federal retirees per the provisions in HB 57.

Closing by Sponsor:

Representative Hibbard stated that Montana's pre-deprivation remedy was very weak. In support of that statement he cited **Mr. Zimmerman** testimony that no one had used the process because it was a "well kept secret" along with the letter that **Mr. McNeal** had read informing him that Montana law had no provision for filing a protestive claim. He reiterated there was no argument that the money in question had been taken illegally, and added if **Senator Harp** were to illegally take money from some of his clients, his obligation to repay his clients would be clear. **Representative Hibbard** argued the pivotal point was that the state had an obligation it needed to face. He noted facing and fulfilling that obligation now would resolve the legal issue and eliminate the very real possibility that the state would be required to pay back more principle and interest per a court order. He stated the Montana Legislature was very good at putting off the state's problems into the future; not taking action on the issue, he added, would be an excellent example of doing just that.

HEARING ON SENATE BILL 50

Opening Statement by Sponsor:

Representative Swanson, House District 79, said DOR had been working to make its appraisal function more efficient for several years, and, when the goal was set to find \$1.2 million in savings through some form of reorganization of DOR, DOR had evaluated the Property Valuation Division and formulated the proposal in SB 50. She distributed a map which, she said, gave some indication of the work that had already been done on the whole package (Exhibit #7). She stated DOR had structured the proposal by first soliciting recommendations from DOR employees statewide. She noted the employees had recommended that any reorganization should affect central offices in Helena and field operations similarly, should reduce administrative layers, should focus on efficiency while keeping a local presence, and should provide assessors statewide with options. According to **Representative Swanson**, HB 50 addressed all of those issues. She referred to the map and noted that 13 counties had already consolidated their assessor/ appraisal function, 16 counties were in that process, 21 counties were requesting information, 1 county had chosen not to consolidate, and 5 counties had not yet entered into any form of interaction with DOR on the subject.

Representative Swanson explained that, until January 14, 1994, HB 50 would give every county that was yet undecided two choices: they could either choose to consolidate in which case the county's assessor and the deputy assessor would become state employees or chose to retain an elected assessor in which case the assessor would contract with DOR to perform the functions of the assessment division. She stated the \$1.2 million savings would come from that consolidation, existing vacancy savings,

early retirement, and natural turnover. She then walked the Committee through some of the key sections in HB 50. Sections one and two, she said, would allow DOR to set up a special revenue account and charge fees for the use of its property data base. She noted the data base would be used primarily by appraisers, realtors, and people who want access for marketing reasons. She stated she was going to suggest a clarifying amendment to ensure that an individual taxpayer would not have to pay the fee if they ask for information about their property. **Representative Swanson** said sections seven and eight addressed the provisions necessary for the assessors and deputy assessors to become state employees. Section nine, she noted, outlined the qualifications for the county assessor in counties which retain the elected position. She said sections 105 through 114 would change the livestock assessment reporting date, moving it from March 1 to February 1. She explained this would allow DOR to process that information more timely and efficiently, and added that the livestock industry had agreed to the change. She said section 127 would add an additional window of eligibility for elected assessors and deputy assessor to take advantage of the retirement incentive program for which they are currently ineligible.

Representative Swanson explained that section 162 established the arrangement whereby the state would contract with an elected county assessor, section 164 detailed the contract arrangement with the county, and section 166 contained the language on the \$1.2 million savings in HB 50. She stated she did have two amendments which she would distribute after her closing remarks.

Proponents' Testimony:

Mick Robinson rose as a proponent of HB 50. He stated DOR had involved all groups within the Property Assessment Division to develop the proposal which would build a more efficient system to provide statewide property appraisal and assessment. He outlined the study process and stated the only guidelines the involved groups had received was that they should focus on a 10 percent reduction in the division's operating expense or about \$1.2 million. He noted that reduction would make it difficult to manage, but said the end result would be a system that was much more efficient while allowing DOR to maintain the present level of quality and service. He explained the proposal in HB 50 would allow DOR to focus on the vast territory that needed to be covered in Montana and to adopt a more regionalized approach.

Keith Colbo, **Montana Assessors Association (MAA)**, read the statement of the President of MAA, Cele Pohle, into the record (Exhibit #8). He expressed her apologies for not being here in person, and explained that her husband was undergoing surgery in Missoula.

Donna Kennedy, **Rosebud County Assessor**, spoke from prepared testimony in favor of HB 50 (Exhibit #9).

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

Senator Gage asked whether the salaries of deputy assessors would be reduced from what they currently received at the county level. **Mick Robinson** replied he could not really give a specific answer to that question. Following the policy they had established for consolidation, he said, DOR would review the duties assigned to particular deputy assessors, apply their positions to the state classification system, and assign them a grade. He explained that approach would provide consistency in the salaries paid for the duties being performed statewide. He noted some deputy assessors would, in fact, receive a pay increase and some would probably receive a pay decrease. He stated consistency in the pay schedule for specific duties was very important.

Senator Gage asked if **Mr. Robinson** had the total amount of increases and decreases in pay for deputy assessors. **Mick Robinson** said he could get that information for **Senator Gage**.

Senator Gage asked whether DOR anticipated that the state would ultimately move toward a regional system for the duties assigned to assessors, deputy assessors or appraisers. **Mick Robinson** said the proposal in HB 50 recognized the need to maintain a physical presence in each county, and, as a result, he added, there would always be staff at the local level. He agreed, however, that it would be necessary to apply a regional system to all appraisal activity in order to allow appraisers to specialize. He noted a regionalized approach would result in more consistent appraisals.

Senator Towe asked how many counties would opt for consolidation and give up their elected county assessor. **Mick Robinson** replied DOR had estimated that perhaps one-half of those counties which had asked for information, but were not presently consolidated, would adopt the proposal in HB 50. He noted the MAA might be able to provide a more specific response.

Senator Towe noted the \$1.2 million savings attributed to HB 50 did not only come from that source. **Mick Robinson** agreed. He said the \$1.2 million was the result of a division-wide savings. He explained some management and supervisory positions would be eliminated and there would be some down-sizing at the state office. He said DOR had held a number of positions vacant so it would not have to layoff any current employee in order to accommodate the deputy and elected assessors that might become state employees as a result of consolidation.

Senator Towe referred to section 165 which would provide for an advisory committee on the valuation and taxation of motor vehicles and mobile homes. He asked **Mr. Robinson** to explain. **Mr. Robinson** replied that particular committee would look at the

way that vehicles are presently assessed and taxed through the county treasurer's office. He noted their task would be to identify how the paperwork and necessary information could be better supplied and processed administratively between county and state offices.

Senator Towe asked if there was anything else in HB 50 that the Committee ought to know about. **Mick Robinson** replied the only other area was the change in the agricultural date from March to February.

Senator Towe asked who would be paying the fees that are calculated to raise \$1 million, although, he noted, the Office of Budget and Program Planning (OBPP) did not think \$1 million would be paid in fees. **Mick Robinson** replied he also disagreed with the \$1 million figure. He stated that realtors and private appraisers had indicated that they would be very interested in using the property tax data base. He said interested parties would pay the fee in order to obtain data from the data base that was not confidential. He assured committee members that the Realty Transfer Certificates (RTC) were confidential and would not be made available.

Senator Towe asked why HB 50 put that money into a special fund rather than the General Fund. **Mick Robinson** explained providing the information to interested parties would put a significant strain on the computer system. He stated the increase in activity would require an upgrade and the fees would help fund the renewal and replacement of the computer system and perhaps other things necessary to accommodate those requests.

Senator Stang referred to page 180, section 163, which provided that the county commissioners must decide to consolidate no later than January 14, 1994. He asked why HB 50 would limit the flexibility of county commissions in that regard. **Mr. Robinson** replied the significance of that date was only to ensure that the county commissioners made the decision to consolidate prior to the filing date for the next election for assessor. He stated statutory latitude still existed for counties to make the decision six months, or two, or four years in the future. **Gordon Morris, Montana Association of Counties (AofC)**, provided further clarification on the subject. He said statute required that any order for consolidation be issued 75 days before the filing deadline coincident to the primary; January 14 would be the absolute deadline commissioners would have for any consolidation. **Mr. Morris** added, however, if January 14, 1994 was put into statute he was not convinced that the other pertinent statutes would automatically apply to the case of assessors in the future. He suggested the Committee might amend HB 50 to require county commissioners to issue the order consistent with the other statute which would specify the same deadline.

Senator Van Valkenburg asked **Gordon Morris** if he were, from the counties' perspective, satisfied that HB 50 would not reduce the

quality of Montana's property tax system, even though 45 employees would be taken out of the operation and budgets cut by \$1.2 million. **Gordon Morris** replied he had followed the progress of the work done by MAA and DOR and the structural reorganization committees. He noted that the statement of intent in HB 50 satisfied most county commissioners' concerns about consolidation being actively pursued by the state and DOR data being only fee accessible. He stated HB 50 had been cleaned up to the point where he could comfortably recommend it to county commissioners and be able to defer to the position of MAA. He added that 33 counties would have completed the consolidation process by January 14, 1994 and another 22 were in the review process and still requesting information.

Senator Van Valkenburg asked if he could assume that there were currently no major roadblocks between the counties and DOR based on **Mr. Morris'** comments and the fact that AofC was not opposing HB 50. He noted in the past counties had complained to the Legislature about DOR not paying for space in county courthouses and utilizing county equipment or charging the counties for DOR equipment. **Gordon Morris** replied those issues did not represent major roadblocks. He stated DOR had demonstrated its willingness to work with the counties on this issue. He added, however, that many county commissioners who were supporting consolidation felt it was being prompted by some of the wrong reasons and were not necessarily doing it willingly. He repeated that HB 50 had been cleaned up and that he was in the process of recommending that county commissions proceed with consolidation.

Senator Stang asked **Mick Robinson** what taxpayers in rural counties would do if there was a problem with their bill if there was no appraiser to get that information. **Mick Robinson** replied consolidation would probably mean that the access of citizens to appraisal staff would be more limited. He stated, however, that the state would be covered adequately to provide service to the taxpayers of the state. He explained taxpayers might have to make appointments in order to see the appraiser but DOR would maintain staff at the local level so that the taxpayer can discuss the situation. He stated that would not be much different then the current situation in many rural counties since DOR did not have staff in a lot of areas in the state due to retirement, resignations, etc. as a result of not filling positions in order to maintain its flexibility.

Senator Stang asked whether taxpayers from rural communities would end up cut off from the process and no longer know whom to approach about problems with subsequent reappraisals. **Mick Robinson** replied he hoped such a situation never materialized. He stated HB 50 would not enhance service. He added, however, DOR would evaluate its workload and situate its employees statewide in a way which would maintain the same level of service presently being offered. He noted that DOR would need to look at the use of technology to provide service to taxpayers in the future. For example, he said, in the future DOR might put a

computer terminal in each office and provide support staff so that taxpayers could have direct access to the appraisal on their property, comparable properties, etc.

Senator Stang said taxpayers would currently go to the appraiser if they disagreed with the value on their house. He noted if the appraiser agreed, then the situation would be quickly resolved. He asked what recourse a taxpayer would have if they used the computer and determined that the appraisal was, indeed, wrong, and how long it would take to resolve the situation. **Mick Robinson** responded that currently the appraiser might not be in the office if an individual came in and wanted to find the information. He noted there was an informal process, the AB-26 process, by which the individual taxpayer could fill out a form to request the information and schedule a meeting with the appraiser. He said if computer technology was available, a taxpayer could have direct access to information about the property's appraisal. He noted if that information did not answer the questions, then a taxpayer would fill out the AB-26 informal review form and meet on a scheduled basis with the appraiser. He stated the same process would still be used, but the use of technology might provide a short cut for both taxpayers and appraisers.

Senator Gage referred to the provisions in HB 50 which regulated the situations where assessors were not state employees and contracted with the state to do the duties. He asked what would happen in a situation where DOR decided the assessors work was unsatisfactory and terminated the contract. **Mick Robinson** replied those situations would be "very touchy and very political" since the state would reimburse the county for 50 percent of that individual's salary. He stated the proposal in HB 50 would require a "good work product" from everyone involved in order to be successful. As a result, he said, DOR needed to have a mechanism to address situations in which elected assessors were not performing the duties assigned to them. He stated DOR and MAA had agreed that a solution would first be pursued through MAA to try to work such assessors and that DOR would provide training. He added, however, if all avenues fail, DOR needed the ability to go to the county commissioners, indicate the situation, and terminate the contract. He said DOR would then have to fill that position in some way with a state employee in order to get the work accomplished.

Senator Gage said counties would have to retain such individuals since they were elected officials and would have to assume the other 50 percent of their salary. He asked, in that case, what kind of input would counties have on the assessment process. **Mick Robinson** responded that terminating the contract with an elected county assessor would be the absolutely last resort because it would upset the system and put a financial burden on local government. He stated many other steps would be taken to make sure that the duties were being properly performed. He stated he did not anticipate actually having to use that

provision and noted the county commissioners could, perhaps, be used as a lever in such a situation to improve the performance of that individual.

Senator Doherty stated he hated machines and did not think he was alone in his hatred. He asked how it would reduce taxpayer frustration and the incentives to sign up for the taxpayer revolt if the only answer and information available to taxpayers was through technology that might be difficult to figure out. He noted property taxes were one thing that people really complained about, and noted if they ran up against a monolithic gray wall, they would complain even more. **Mick Robinson** agreed that some individuals did not like the technological approach, but said many individuals did like to have access to that information. He stated when government cost was currently evaluated, a disservice would be done to taxpayers if the possible use of technology to provide efficient services was ignored. He explained many things had been accomplished at DOR at a much lower cost by using technology instead of filling the gap or service with additional FTEs. He said technology might not be acceptable to 100 percent of the taxpayers, but was becoming more acceptable to many people. **Mr. Robinson** noted that he had been opposed to voice mail but had accepted it because it eliminated need for a receptionist to answer his calls. He said he had found that voice mail was much more efficient because people could just leave a message instead of playing "phone tag".

Senator Doherty said he had been informed that the \$1.2 million savings projected for HB 50 might be low. He asked **Representative Swanson** if she would address that possibility. **Representative Swanson** replied that **Representative Wanzenried** had been skeptical about the \$1.2 million and requested that the Legislative Fiscal Analyst (LFA) do some research on the assumptions on which the \$1.2 million was based. She noted she was unsure as to **Senator Doherty's** information, but explained the calculations DOR had used to arrive at the figure in the fiscal note. She said DOR started with the assumption that 48.7 positions were currently vacant which would cost an average of \$27,000 for salary and benefits, 8.5 known retirements, 7.3 probable retirements, and an additional anticipated vacancy savings of 10. She noted that was a total of 74.5 vacancies which amounted to about 19 percent of the entire division and represented a cost savings of \$1.972 million. She stated the cost of picking up the additional savings and benefits would have to be subtracted from the \$1.972, which would result in a total savings of \$1.2 million. **Representative Swanson** noted that **Representative Wanzenried** had been looking at the cost based on hours worked, number of vacation days, and number of rates and hours. She said that approach was a too restrictive.

Closing by Sponsor:

Representative Swanson noted the concerns expressed by both **Senators Stang** and **Doherty** were a real example of the difficulty

in down-sizing government. She paid tribute to DOR for the method with which they had approached the challenge and incorporated had input from employees in order to determine how to minimize the reduction in services, get the necessary efficiency and dollar savings, and still provide the requisite services. She stated HB 50 was a good piece of legislation and encouraged the Committee's support. She distributed the two technical amendments she had outlined in her opening statements (Exhibits #10 and #11).

HEARING ON SENATE BILL 47

Opening Statement by Sponsor:

Senator Eck, Senate District 40, said Representative Elliott and Senator Bartlett had worked on SB 47. She noted SB 47 provided for three major things: one, it would require DOR to prepare and distribute an informational return; two, it would require taxpayers to file that return with DOR; and, three, it would provide for refunds and additional payments that would be delayed if HB 671 gained voter approval. She stated SB 47 represented a "truth in taxation issue"; taxpayers should know how the possible approval of HB 671 would affect them personally, even though the issue was confusing. She said the administration had obviously chosen to assume that the referendum on HB 671 would not pass since they made no mention of the referendum and the possibility that taxpayers might have to fill out another income tax form in the 1993 tax booklet. Instead, she noted, the first sentence in the tax booklet was "in light of the suspension of the new income tax law 1993 taxes will be calculated by resorting to the law which was in place prior to the enactment then the suspension of HB 671". Senator Eck said the Revenue Oversight Committee (ROC) had asked the administration to develop a plan to deal with the possible approval of HB 671, and added the method chosen was not entirely appropriate. She stated the administration's argument that it did not want to influence the outcome of the referendum by providing an informational form to taxpayers was not valid. She agreed that the possibility of receiving a refund or being required to pay more would influence how an individual might vote on that election, but noted it would probably influence more taxpayers to vote against rather than for the referendum.

According to Senator Eck, the real value of SB 47 to the taxpayer was that taxpayers and accountants would only have to calculate a taxpayer's income tax information once. She explained the information return would be only one sheet, the filling out of which would not take much extra time or effort, especially when compared to starting completely over after the election. She stated SB 47 would also benefit DOR since having a return based on HB 671 on file would allow them to better deal with the anomalies that might arise if HB 671 were approved and taxpayers' income tax returns needed to be recalculated. She repeated that it was unfortunate that DOR had not included the information in the tax booklets. She noted the form would have to be sent out

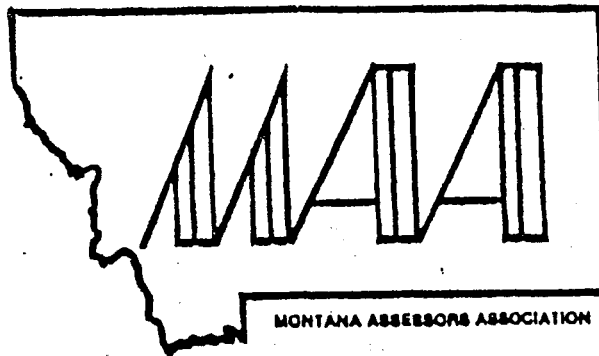
ROLL CALL

SENATE COMMITTEE TAXATION DATE December 15, 1993

NAME	PRESENT	ABSENT	EXCUSED
Sen. Halligan, Chair	X		
Sen. Eck, Vice Chair	X		
Sen. Brown	X		
Sen. Doherty	X		
Sen. Gage	X		
Sen. Grosfield	X		
Sen. Harp	X		
Sen. Stang	X		
Sen. Towe	X		
Sen. Van Valkenburg	X		
Sen. Yellowtail		X	

FC8

Attach to each day's minutes



SENATE TAXATION

EXHIBIT NO. 8

DATE December 15, 1993

BILL NO. HB 50

Mr. Chairman and Members of the Committee:

My name is Cele Pohle. I am President of the Montana Assessors Association.

The Montana Assessors Association and the Department of Revenue have worked together on H.B. 50.

The Association believes that the compromises that have been reached are in the best interests of both State and County Governments.

County Government is given the option of retaining the elected assessor through a contractual agreement with Department of Revenue for the duties of the assessor.

The Deputy Assessors will become state employees and retain all their benefits.

The Department of Revenue is given flexible management of the remaining personnel so that regionalization may occur as soon as possible.

We believe that the best interests of all parties have been addressed and achieved in H.B. 50.

The Montana Assessors Association recommends a do pass on H.B. 50.

Cele Pohle

President

Montana Assessors Association

Rosebud County

Forsyth, Montana 59327

Commissioners:
Donald Bailey
Mark Pinkerton
Duane C. Martens

Clerk & Recorder:
Geraldine Nile

Treasurer:
Sharon Lincoln

Clerk of District Court:
Marilyn Hollister

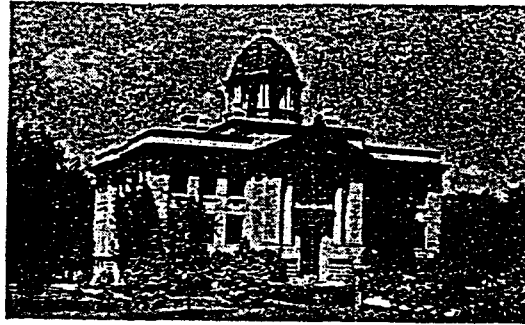
Assessor:
Donna Kennedy

Attorney:
John Forsythe

Superintendent of
Schools:
Sharyn Thomas

Justice of the Peace:
David J. Polley - Forsyth
Ann Wagner - Colstrip

Sheriff:
Kurt Seward



SENATE TAXATION

EXHIBIT NO. 9

December 6, 1993

DATE December 15, 1993

BILL NO. HB 50

Chairman,

Members of the Committee,

I am Donna Kennedy, Rosebud County Assessor.

As some of you are aware, there has been over the past few years a concern as to where the elected Assessor should be placed in the structure of the Property Assessment Division.

At the present time within the 56 Counties this position is at a number of points on the spectrum. Some counties have had an elected assessor consolidated with another elected office for a number of years. This then leaves the county with a state employee (the assessor supervisor) who is funded fully by the State.

There are other counties that are in the various stages of becoming consolidated which this Bill will facilitate.

Some counties are in favor of a 50/50 partnership with the State, this is also an option that H.B. 50 will accommodate.

Both of these options give each individual county and the Department of Revenue an opportunity to create the best scenario for the tax payers of that county.

I also see this legislation allowing the assessment process within each county to remain uniform throughout the state.

I would also like to take the opportunity to put before you the feeling I hold as to the importance of keeping in place the elected assessor. This elected status only strengthens the connection between the taxpayer/voter, the commissioners of each county, the Department of Revenue and as I hope you yourselves realize, the legislature.

We the elected Assessors, hold a responsibility to all of the above and in the same vein do exhibit a check and balance that has proven more than once to be a valuable asset to all of these entities.

I than would encourage a do pass on HB 50.

SEPARATE TAXATION

EXHIBIT NO. 10

DATE December 15, 1993

BILL NO. HB 50

Amendments to House Bill 50
Third Reading Copy

Prepared by Department of Revenue
12/14/93 2:52pm

1. Page 184, line 19.
Following: "~~170~~"
Insert: "126, 128 through".

2. Page 184, line 21.
Following: "~~173~~"
Insert: "127,"

REASON FOR AMENDMENT:

This is a technical amendment. The early retirement option for county assessors and their deputies must be made effective on passage and approval since the window of opportunity for this early retirement will expire after December 31, 1993.

SEPARATE TAXATION

EXHIBIT NO. 11

Amendments to House Bill No. 50
Third Reading Copy

DATE December 15, 1993

BILL NO. HB 50

Requested by Representative Swanson
For the Committee on

Prepared by Greg Petesch
December 13, 1993

1. Page 6, line 23.

Strike: "TO A LOCAL TAXING JURISDICTION"

2. Page 6, line 24.

Following: "BASE"

Insert: "to a local taxing jurisdiction"

3. Page 6, line 25.

Following: "FUNCTIONS"

Insert: "or to an individual taxpayer concerning the taxpayer's
property"

DATE December 15, 1993SENATE COMMITTEE ON ~~SB 47, HB 50, HB 57~~ TaxationBILLS BEING HEARD TODAY: ~~SB 47, HB 50, HB 57~~

< ■ >

PLEASE PRINT

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Check One

Name	Representing	Bill No.	Support	Oppose
GARY NELSON	Northern Rocky Mtn. Retirees	HB 57	✓	
JOHN R. MILODRAGOVICH	"	HB 57	✓	
Gene Quenemoen	Self	HB 57	✓	
Everett Woodgerd	NARFE	HB 57	✓	
Harry McNeal	NARFE	HB 57	✓	
Art Shaw	NARFE	HB 57	✓	
ROBERT BUCHER	SELF	HB 57	✓	
Bernard Grainer	NARFE	HB 57	✓	
HERMAN WITTMAN	NARFE	HB 57	✓	
Civen Wannen	NARFE	HB 57	✓	
Ed Sheehan	SELF	HB 57	✓	
Dick Kuhl	Gov. Of Hill	HB 57	✓	
Keith L. Colbo	MT Assessors	HB 50	✓	
DONNA KENNEDY	Rosebud Assessor	HB 50	✓	
Bernie Swift	NARE - Leg. Reul. Co.	HB 57	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

MINUTES

MONTANA SENATE 53rd LEGISLATURE - SPECIAL SESSION

COMMITTEE ON TAXATION

Call to Order: By Senator Halligan, Chair, on December 17, 1993,
at 10:00 a.m.

ROLL CALL

Members Present:

Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Steve Doherty (D)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)
Sen. Bill Yellowtail (D)

Members Excused: Senators Brown, Gage, and Stang

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Beth Satre, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: None.

Executive Action: SB 52, HB 45, HB 50, HB 60, SB 40, HB 29

EXECUTIVE ACTION ON SENATE BILL 52

Discussion:

Senator Weeding, Senate District 14, handed the Committee a set of amendments the Legislative Fiscal Analyst (LFA) had prepared for SB 52 and explained their purpose (Exhibit #1). He noted the Department of Transportation (DOT) was preparing another set of amendments which would cause the funds to revert to the Highway Special Revenue Account.

Chair Halligan asked Senator Weeding if he had seen the amendments prepared by Greg Petesch, Legislative Council, for SB 52 (Exhibit #2). Senator Weeding replied yes. He noted those amendments contained the term "suspense account" whereas the

Discussion:

Senator Van Valkenburg stated HB 45 did not need to be the vehicle for property tax relief. He noted, however, that the Committee should maintain the option to use HB 45 if it became necessary. He stated putting HB 45 on the table would allow committee members to move on and discuss other bills that might provide a greater opportunity for resolving the problems facing the Legislature.

Vote:

The MOTION TO TABLE HB 45 CARRIED with Senators Doherty, Gage, Eck, Halligan, Stang, Towe, Van Valkenburg, and Yellowtail voting YES. Senators Grosfield and Harp voted NO and Senator Brown had left no proxy vote.

EXECUTIVE ACTION ON HOUSE BILL 50**Discussion:**

Senator Van Valkenburg noted that HB 50 was important for the budget balancing package and had no problems associated with it.

Chair Halligan said Representative Swanson had introduced some necessary technical amendments for HB 50 at the hearing (Exhibits #4 and #5).

Motion/Vote:

Senator Van Valkenburg moved HB 50 BE AMENDED (Exhibit #4 and #5). The MOTION CARRIED UNANIMOUSLY.

Motion/Vote:

Senator Van Valkenburg moved HB 50 BE CONCURRED IN AS AMENDED. The MOTION CARRIED with Senator Stang voting NO.

EXECUTIVE ACTION ON HOUSE BILL 60**Motion:**

Senator Towe moved to AMEND HB 60 (Exhibit #6).

Discussion:

Senator Towe explained that HB 60 without his proposed amendments would completely eliminate the clean coal technology program. He said the amendments would remove the Department of Natural Resources (DNRC) statutory requirements associated with the Clean Coal Technology Demonstration Program while allowing the program

ROLL CALL

SENATE COMMITTEE TAXATION

DATE December 17, 1993
10:00 am

NAME	PRESENT	ABSENT	EXCUSED
Sen. Halligan, Chair	X		
Sen. Eck, Vice Chair	X		
Sen. Brown			X
Sen. Doherty	X	OK	
Sen. Gage			X
Sen. Grosfield	X		
Sen. Harp	X		
Sen. Stang			X
Sen. Towe	X		
Sen. Van Valkenburg	X		
Sen. Yellowtail	X		

FC8

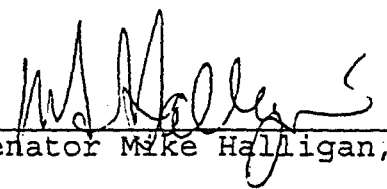
Attach to each day's minutes

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
December 17, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 50 (third reading copy -- blue), respectfully report that House Bill No. 50 be amended as follows and as so amended be concurred in.

Signed: 
Senator Mike Halligan, Chair

That such amendments read:

1. Page 6, line 23.

Strike: "TO A LOCAL TAXING JURISDICTION"

2. Page 6, line 24.

Following: "BASE"

Insert: "to a local taxing jurisdiction"

3. Page 6, line 25.

Following: "FUNCTIONS"

Insert: "or to an individual taxpayer concerning the taxpayer's property"

4. Page 184, line 19.

Following: "~~170~~"

Insert: "126, 128 through"

5. Page 184, line 22.

Following: line 21

Insert: "127,"

Following: "~~169~~"

Insert: ", "

-END-

Amendments to House Bill No. 50
Third Reading Copy

Requested by Representative Swanson
For the Committee on

Prepared by Greg Petesch
December 13, 1993

SENATE TAXATION

EXHIBIT NO. 4

DATE December 17, 1993

BILL NO. HB 50

1. Page 6, line 23.

Strike: "TO A LOCAL TAXING JURISDICTION"

2. Page 6, line 24.

Following: "BASE"

Insert: "to a local taxing jurisdiction"

3. Page 6, line 25.

Following: "FUNCTIONS"

Insert: "or to an individual taxpayer concerning the taxpayer's
property"

SENATE TAXATION

AMEND NO. 5

DATE December 17, 1993

BILL NO. HB 50

Amendments to House Bill 50
Third Reading Copy

Prepared by Department of Revenue
12/14/93 2:52pm

1. Page 184, line 19.
Following: "~~170~~"
Insert: "126, 128 through".

2. Page 184, line 21.
Following: "~~173~~"
Insert: "127,"

REASON FOR AMENDMENT:

This is a technical amendment. The early retirement option for county assessors and their deputies must be made effective on passage and approval since the window of opportunity for this early retirement will expire after December 31, 1993.

MONTANA SESSION LAWS
NOVEMBER 1993 SPECIAL SESSION
CHAPTER NO. 27

[HB 50]

AN ACT RESTRUCTURING THE PROPERTY VALUATION AND ASSESSMENT FUNCTIONS OF THE DEPARTMENT OF REVENUE; GENERALLY REVISING PROPERTY TAX ASSESSMENT AND LEVY PROCEDURES TO CONFORM WITH PRACTICE AND ADVANCED TECHNOLOGY FOR ASSESSMENT, COMPUTATION, AND LEVY OF PROPERTY TAXES; MAKING THE DEPARTMENT OF REVENUE RESPONSIBLE FOR ASSESSMENT, COMPUTATION, AND LEVY OF CERTAIN TAXES; ELIMINATING THE STATUTORY DUTIES OF COUNTY ASSESSORS; ESTABLISHING A SPECIAL PROPERTY VALUATION IMPROVEMENT FUND; ASSESSING LIVESTOCK AS OF FEBRUARY 1; CLARIFYING THE ELIGIBILITY OF COUNTY ASSESSORS AND DEPUTY ASSESSORS FOR THE RETIREMENT INCENTIVE PROGRAM; REQUIRING THE DEPARTMENT OF REVENUE TO PAY RETIREMENT INCENTIVE COSTS FOR COUNTY ASSESSORS AND DEPUTY ASSESSORS; PERMITTING COUNTY ASSESSORS TO BECOME EMPLOYEES OF THE DEPARTMENT OF REVENUE; CREATING AN ADVISORY COMMITTEE ON THE VALUATION AND TAXATION OF MOTOR VEHICLES AND MOBILE HOMES; REDUCING THE FISCAL 1995 GENERAL FUND APPROPRIATION TO THE DEPARTMENT OF REVENUE; APPROPRIATING FUNDS FROM THE PROPERTY VALUATION IMPROVEMENT FUND TO THE DEPARTMENT OF REVENUE; AMENDING SECTIONS 2-6-110, 5-18-115, 7-3-1301, 7-3-1309, 7-3-4252, 7-4-2401, 7-4-2505, 7-4-3007, 7-6-4409, 7-6-4410, 7-6-4412, 7-6-4413, 7-8-2513, 7-12-4181, 7-12-4184, 7-13-233, 7-13-2304, 7-13-2306, 7-13-2527, 7-13-2528, 7-13-4309, 7-13-4507, 7-14-2735, 7-14-2738, 7-14-2739, 7-14-2740, 7-14-2742, 7-14-2743, 7-14-2744, 7-14-2745, 7-14-2755, 15-1-101, 15-1-111, 15-1-201, 15-1-202, 15-1-205, 15-1-303, 15-6-207, 15-7-102, 15-7-106, 15-7-107, 15-7-208, 15-7-209, 15-7-304, 15-7-308, 15-7-402, 15-7-403, 15-8-102, 15-8-104, 15-8-111, 15-8-112, 15-8-113, 15-8-115, 15-8-201, 15-8-202, 15-8-205, 15-8-301, 15-8-303, 15-8-304, 15-8-307, 15-8-402, 15-8-601, 15-8-701, 15-8-702, 15-8-704, 15-8-707, 15-8-709, 15-8-710, 15-9-101, 15-9-103, 15-10-202, 15-10-203, 15-10-205, 15-10-206, 15-10-305, 15-15-101, 15-15-102, 15-15-103, 15-16-101, 15-16-104, 15-16-105, 15-16-115, 15-16-117, 15-16-203, 15-16-302, 15-16-305, 15-16-402, 15-16-504, 15-16-611, 15-17-124, 15-17-317, 15-17-911, 15-18-412, 15-23-104, 15-23-106, 15-23-107, 15-23-115, 15-23-507, 15-23-607, 15-23-702, 15-23-703, 15-23-704, 15-23-803, 15-23-804, 15-24-104, 15-24-302, 15-24-801, 15-24-901, 15-24-902, 15-24-903, 15-24-904, 15-24-905, 15-24-906, 15-24-920, 15-24-921, 15-24-1402, 15-24-1501, 15-24-1802, 15-24-1902, 15-24-2002, 15-24-2302, 15-36-104, 15-37-203, 15-51-104, 15-59-104, 15-59-203, 19-3-908, 20-9-122, 50-61-112, 61-3-207, 61-3-303, 61-3-345, 61-3-503, 61-12-402, 70-23-304, 70-23-305, 76-2-102, 76-13-207, 76-15-518, 77-1-501, 77-1-503, 77-1-504, 77-2-313, 80-2-203, 80-2-204, 80-2-206, 80-2-207, 80-2-225, 81-2-302, 81-4-511, 81-4-513, 81-4-516, 81-7-303, 85-7-2136, 85-8-601, AND 85-9-603, MCA; AND SECTION 15, CHAPTER 623, LAWS OF 1993; REPEALING SECTIONS 7-2-2753, 7-6-2540, 15-1-403, 15-1-506, 15-7-213, 15-8-103, 15-8-105, 15-8-106, 15-8-114, 15-8-302, 15-8-705, 15-8-706, 15-9-102, 15-10-301, 15-10-302, 15-10-303, 15-10-304, 15-10-306, 15-10-307, 15-10-308, 15-16-111, 15-16-112, 15-16-113, 15-16-114, AND 15-30-228, MCA; AND PROVIDING EFFECTIVE DATES AND APPLICABILITY DATES.

MONTANA SESSION LAWS
NOVEMBER 1993 SPECIAL SESSION
STATEMENT OF INTENT

With the adoption of the 1972 Montana constitution, the state assumed responsibility for the appraisal, assessment, and valuation of property for property tax administration. Although the state was granted this new responsibility and authority by the constitution, county assessors were retained by local governments to assist the state in the assessment function, acting as agents of the department of revenue. Through the implementation and use of electronic data processing and other technological advances, many of the assessment functions previously performed by county assessors have changed dramatically.

Recognizing the need to make state and local government more responsive and efficient, it is the intent of the legislature that all appraisal and assessment duties relating to property taxation be assigned to the department of revenue. This action transfers from county assessors to the department the responsibility and authority to perform any assessment functions.

Acknowledging the talents and skills of county assessors, it is the intent of the legislature that current county assessors may choose to become employees of the department of revenue and that their respective counties may consolidate the office of county assessor with another county office.

If the current county assessor does not choose to become a state employee and the county chooses to retain the separate office of county assessor, the department of revenue shall, with the consent of the county assessor, contract with the county for the county assessor to perform specific duties as assigned by the department. If under this agreement the county assessor produces satisfactory work quality and output for the department, the department may continue the contract as long as the person currently serving as county assessor retains the position. The department may also contract for any successor county assessor in counties that retain the separate office of county assessor to perform duties assigned by the department.

It is further the intent of the legislature that all present deputy county assessors become employees of the department of revenue, with the same preferences and benefits as other state employees.

To allow for the efficient administration of the property tax appraisal and assessment, it is the intent of the legislature that the department of revenue use other efficiency measures, such as creating regional county appraisal and assessment offices, adjusting office hours of department field offices, and restructuring the organizational structure of the property assessment division.

The legislature grants to the department of revenue general rulemaking authority for the accomplishment of these administrative changes.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 2-6-110, MCA, is amended to read:

"2-6-110. Electronic information — public access. (1) Except as provided by law, each person is entitled to a copy of information compiled, created, or otherwise in the custody of public agencies that is in electronic format, subject to the same restrictions applicable to the information in printed

form. All restrictions relating to confidentiality, privacy, business secrets, and copyright are applicable to the electronic information.

(2) Except as provided by law *and subject to subsection (4)*, an agency may charge a fee, not to exceed:

(a) the agency's actual cost of purchasing the electronic media used for transferring data, if the person requesting the information does not provide the media; or

(b) expenses incurred by the agency as a result of mainframe processing charges or other out-of-pocket expenses directly associated with the request for information.

(3) An agency may also charge an hourly fee for each hour, or fraction of an hour, after one-half hour of copying service has been provided. The hourly fee may not exceed the hourly rate for the current fiscal year for a state employee classified as grade 10, market salary, under 2-18-312.

(4) *In addition to the allowable fees in subsection (2), the department of revenue may charge an additional fee as reimbursement for the cost of developing and maintaining the computer-assisted mass appraisal system. The fee must be charged to persons requesting the data base or any part of the data base from the mass appraisal system. The department may not charge a fee for information provided from this data base to a local taxing jurisdiction for use in taxation and other governmental functions or to an individual taxpayer concerning the taxpayer's property. All fees received by the department under this subsection must be deposited in a state special revenue fund as provided in [section 2].*

(4)(5) For the purposes of this section, the term "agency" has the meaning provided in 2-3-102 but includes legislative, judicial, and state military agencies.

(5)(6) This section does not authorize the release of electronic security codes giving access to private information."

Section 2. Property valuation improvement fund. There is an account in the state special revenue fund to be used by the department for increasing the efficiency of the property appraisal, assessment, and taxation process through improvements in technology and administration. The department shall deposit fees collected pursuant to 2-6-110(4) in the account.

Section 3. Section 5-18-115, MCA, is amended to read:

"5-18-115. Report to revenue oversight committee. The department of revenue shall *at the request of the revenue oversight committee* report to the revenue oversight committee ~~at every revenue oversight committee meeting as to its on the department's progress in completing the revaluation cycle.~~

Section 4. Section 7-3-1301, MCA, is amended to read:

"7-3-1301. Department of finance. (1) The director of finance shall ~~have~~ *has* charge of the administration of the financial affairs of the municipality, including the keeping and supervision of all accounts; the custody and disbursement of municipal funds and money; the making of special assessments

~~and the assessment of property for taxation; the issuance of licenses; the collection of license fees; the control over expenditures; the purchase, storage, and distribution of supplies needed by the municipality; and such other duties as the commission may by ordinance require.~~

(2) ~~He shall also have all~~ *The director of finance has all* powers and shall perform all duties imposed upon county clerk and recorders and auditors by general law.

(3) All of the provisions of the general laws of the state ~~in with~~ respect to budgets for cities and counties shall apply to ~~such the~~ *the* municipality."

Section 5. Section 7-3-1309, MCA, is amended to read:

"7-3-1309. Division of assessment. (1) ~~There shall may be in the department of finance a division of assessment, the head of which shall may be the assessor. The assessor and his deputies shall have division of assessment has the powers, qualify in the manner, of and shall perform the duties prescribed for county assessors and deputy assessors by general law.~~

(2) ~~The assessor shall also be division of assessment is~~ in charge of the preparation of all special assessments for public improvements, the giving of notice of ~~such the~~ assessments to property owners and purchasers of property under contracts for deed, and the certification of all unpaid assessments to the director of finance."

Section 6. Section 7-3-4252, MCA, is amended to read:

"7-3-4252. Powers of council. ~~The council shall have and possess has and the council and its members shall exercise all executive, legislative, and judicial powers and duties now had, possessed, and exercised by the mayor, city council, board of public works, park commissioners, board of police and fire commissioners, board of waterworks trustees, board of library trustees, attorney, assessor, treasurer, auditor, city engineer, and other executive and administrative offices in cities organized under the general municipal incorporation laws.~~

Section 7. Section 7-4-2401, MCA, is amended to read:

"7-4-2401. Deputy officers. (1) ~~Every Each~~ county and township officer, except a justice of the peace ~~and the county assessor~~, may appoint as many deputies or assistants as may be necessary for the faithful and prompt discharge of the duties of ~~his the~~ office. All compensation or salary of any deputy or assistant shall ~~must~~ be as provided in this code.

(2) The appointment of deputies, clerks, and subordinate officers of counties, districts, and townships must be made in writing and filed in the office of the county clerk ~~and recorder.~~

Section 8. Section 7-4-2505, MCA, is amended to read:

"7-4-2505. Amount of compensation for deputies and assistants. (1) Subject to subsection (2), the boards of county commissioners in the several counties in the state shall ~~have the power to fix~~ the compensation allowed any deputy or assistant of the following officers:

- (a) clerk and recorder;
- (b) clerk of the district court;
- (c) treasurer;
- (d) ~~assessor;~~
- (e)(d) county attorney;
- (f)(e) auditor.

(2) (a) The salary of a deputy or an assistant listed in subsection (1), other than a deputy county attorney, may not be more than 90% of the salary of the officer under whom ~~such the~~ deputy or assistant is serving. The salary of a deputy county attorney, including longevity payments provided in 7-4-2503(3)(d), may not exceed the salary of the county attorney under whom ~~he the~~ deputy is serving.

(b) ~~Where any~~ If a deputy or assistant is employed for a period of less than 1 year, the compensation of ~~such the~~ deputy or assistant ~~shall must~~ be for the time so employed, provided the rate of ~~such~~ compensation ~~shall may~~ not be in excess of the rates now provided by law for similar deputies and assistants ~~except as provided herein.~~

(e) ~~Deputy assessors' salaries shall be the same as paid the deputy clerk and recorder."~~

Section 9. Section 7-6-4409, MCA, is amended to read:

"7-6-4409. Determination of assessments. (1) The assessment made by the department of revenue ~~or its agent~~ for state and county purposes is the basis of taxation for cities and towns for the property situated ~~therein in the city or town.~~

(2) It is the duty of the department ~~or its agent~~, in making the assessment ~~book property tax record~~, to ~~separately and distinctly~~ designate ~~therein~~ the real and personal property, ~~stating each separately and distinctly~~, situated in cities and towns within each county in the state."

Section 10. Section 7-6-4410, MCA, is amended to read:

"7-6-4410. Assessment book Property tax record to be furnished to certain municipalities. (1) On or before the second Monday in July of each year, the department ~~or its agent~~ ~~must of revenue~~ shall furnish a certified copy of the property tax record to all cities of the third class and towns within each county ~~which shall that~~ make written request for the ~~same record~~ on or before the first Monday in April of each year. ~~a complete certified copy of the assessment book, so far as such assessment book pertains~~ The property tax record must pertain to property within the limits of ~~said the~~ requesting cities and towns.

(2) ~~The department may charge such cities and towns 5 cents per folio of 100 words for each copy of the assessment book furnished such cities and towns as provided in subsection (1)."~~

Section 11. Section 7-6-4412, MCA, is amended to read:

"7-6-4412. Preparation of municipal assessment book property tax record. (1) ~~It is the duty of the~~ The county clerk, on or before the first Monday in October in each year, ~~to make a duplicate of the corrected assessment book for shall provide a copy of the property tax record to each city in the county, if the city treasurer of which is required by an ordinance of such the city to collect its taxes. Such book shall be styled "The Duplicate Assessment Book for the City of ..."~~ and must contain The record must be a copy of the corrected assessment book property tax record of the county, as far as the same it refers to city property.

(2) ~~Such duplicate~~ The copy must be made in a book furnished by the city clerk of each city in the county and ruled in columns specifying form that itemizes the different funds; so that the city treasurer may extend the same funds and collect the taxes.

(3) ~~The county clerk must deliver such duplicate assessment book to each city treasurer and take his receipt therefor, having attached thereto the affidavit similar to the one set out in 15-10-306."~~

Section 12. Section 7-6-4413, MCA, is amended to read:

"7-6-4413. Collection of taxes. (1) Except in the case of such cities of the first, second, and third classes ~~as may that~~ provide by ordinance for the city treasurer to collect the taxes from ~~such the~~ corrected assessment book property tax record, the county treasurer of each county must ~~shall~~ collect the tax levied by all cities and towns in his ~~the~~ respective county.

(2) The county treasurer must ~~shall~~ collect ~~such the~~ city or town taxes, including unpaid road poll taxes, at the same time as the state and county taxes and with the same penalties and interest in case of delinquency."

Section 13. Section 7-8-2513, MCA, is amended to read:

"7-8-2513. Appraisal of land required — exception. (1) The county commissioners shall, before they sell, exchange, or lease lands under the provisions of this part, cause ~~such the~~ lands to be appraised by a qualified, independent person, who may be but is not required to be an agent employee of the department of revenue, to determine the value of ~~such the~~ lands for the purpose of ~~such the~~ sale, exchange, or lease.

(2) For the purposes of this section, a renewal of the lease ~~shall be~~ is considered an initial lease if the renewal is for a term exceeding 5 years.

(3) The board of county commissioners may lease mineral interests in land, whether ~~such the~~ interests are severed or not, without an appraisal as required by subsection (1)."

Section 14. Section 7-12-4181, MCA, is amended to read:

"7-12-4181. Collection of district assessments by county clerk — certification. (1) Except as provided in 7-12-4183, in every each city or town where taxes for general, municipal, and administrative purposes are certified to and collected by the county treasurer in accordance with the provisions of 7-6-4407 immediately after the second Monday of August of each year, it shall

be is the duty of the city treasurer or town clerk to certify, at the same time *that* the copy of the resolution determining the annual levy for general taxes is certified by the city or town clerk to the county clerk as required by 7-6-4407, to the ~~county assessor of the county in which such city or town is situated~~ department of revenue all special assessments and taxes levied and assessed in accordance with any of the provisions of ~~this part and part 42 and this part~~.

(2) The ~~county assessor~~ department of revenue shall ~~thereupon enter same~~ the special assessments and taxes upon the ~~assessment roll of property tax record~~ for the county. The county treasurer ~~must shall~~ collect all such taxes and assessments in the same manner and at the same time as ~~said~~ taxes for general, municipal, and administrative purposes are collected by ~~him~~.

Section 15. Section 7-12-4184, MCA, is amended to read:

"7-12-4184. Reinstatement of delinquent assessment. (1) Whenever any special assessment or installment is delinquent, is declared to be delinquent by appropriate resolution of the city or town council, and is certified to the county clerk and county treasurer for collection as ~~herein provided in this part~~, the city or town council may, nevertheless, at its option, by appropriate resolution, order the delinquent assessment to be withdrawn from the county treasurer, canceled from ~~his the county treasurer's~~ records and proceedings, and reinstated in the office of the city treasurer and on the ~~assessment book thereof property tax record~~ upon the payment to the city treasurer of the assessment or the installment and interest up to date.

(2) The certified copy of the resolution of the council with reference to ~~such~~ the payment, withdrawal, and reinstatement, filed with the county treasurer, is authority for the county treasurer to cancel and withdraw the delinquent special assessment or installment.

(3) The withdrawal and reinstatement may be made at any time before or after sale of the property for delinquent taxes and before a tax deed ~~therefor~~ is executed."

Section 16. Section 7-13-233, MCA, is amended to read:

"7-13-233. Procedure to collect service charge. (1) The service charge may be imposed for:

(a) any fiscal year for which the district establishes a budget or incurs costs related to planning or constructing a solid waste management facility; or

(b) services to begin within 12 months.

(2) The board shall certify to the county commissioners of the county served by the solid waste management district the service charge needed for the current fiscal year, the due but unpaid service charges, and a description of the property against which the service charges are to be levied.

(3) The department of revenue ~~or its agent~~ shall ensure that the amount of the service charge is placed on property tax notices and that the service charge is collected with property taxes.

(4) The board may establish a system for collecting service charges other than by tax notices to property owners issued by the department of revenue. The board may collect the service charge more often than property taxes are collected.

(5) If not paid, the service charge becomes delinquent and becomes a lien on the property, subject to the same penalties and the same rate of interest as property taxes."

Section 17. Section 7-13-2304, MCA, is amended to read:

"7-13-2304. Notice of intention to levy tax. (1) When the written estimate of the amount of money required has been delivered to the board of county commissioners, ~~said the~~ board shall give notice of its intention to levy and collect a tax sufficient for the payment ~~thereof of bond obligations and other expenses~~.

(2) ~~Such~~ The notice ~~shall must~~ be given:

(a) by posting ~~notice thereof~~ in five public places within the county and within the boundaries of the lands upon which the tax is to be levied;

(b) by publishing a copy of the notice as provided in 7-1-2121; and

(c) by forwarding, by mail as provided in 7-1-2122 at least 10 days prior to the hearing provided for in 7-13-2306(4), a copy of the notice addressed to the owners and the purchasers under contracts for deed of taxable real property within the district as shown by the current ~~assessment book on file in the office of the assessor of property tax record maintained by the department of revenue~~ for the county or counties the boundaries of which include taxable real property of the district."

Section 18. Section 7-13-2306, MCA, is amended to read:

"7-13-2306. Contents of notice — hearing and protest. The notice required by 7-13-2304 ~~shall must~~ state:

(1) the amount of money required;

(2) the method of assessment ~~which that~~ the board or boards of county commissioners intend to employ;

(3) the boundaries or description of the lands to be assessed, which ~~boundaries or description~~ may be recited in full or may be given by reference to any instrument on file or of record in the office of the clerk and recorder, or treasurer, ~~or assessor~~ of the county or counties in which the district or part ~~thereof of the district~~ is situated ~~or with the department of revenue~~; and

(4) the time when and the place where the board or boards of county commissioners will hear and pass upon all protests that may be made against the levy of the tax or any matter pertaining ~~thereto to the tax~~."

Section 19. Section 7-13-2527, MCA, is amended to read:

"7-13-2527. List of property owners. (1) A copy of the order creating the district must be delivered to the ~~county assessor of each county within the district~~ department of revenue.

(2) The ~~assessor department~~ shall, on or before August 1 of each year, prepare and certify a list of all persons owning class four property within the district and deliver a copy of the list to the board of trustees of the district."

Section 20. Section 7-13-2528, MCA, is amended to read:

"7-13-2528. Financial administration of district. (1) The board of trustees shall, from any list prepared by the ~~county assessor department of revenue~~ as required by 7-13-2527, remove the names of any persons who have claimed exemption under this part prior to September 1 and shall prepare a budget for the expenses for the next year.

(2) The budget, together with the list of ~~such~~ persons residing in the district and subject to the special tax after all exemptions have been allowed as provided in this part, ~~shall must~~ be presented by September 1 to the board of county commissioners, who shall levy the tax requested by ~~said the~~ trustees. The board shall levy ~~such the~~ tax in accordance with the ~~trustees' request herein mentioned~~. In preparing the budget, the board of trustees shall maintain separate budgets for television services and for FM translator services and shall specify the tax to be levied on property owners for these services. The tax ~~shall must~~ be certified to the county clerk and recorder, ~~who shall notify the department of revenue for entry of the tax and entered on the assessment books property tax record as against such those persons and collected by the county treasurer as all other taxes are collected.~~

(3) The county treasurer ~~shall be is~~ the treasurer for ~~said the~~ district and ~~shall hold said the taxes, as collected, in a separate fund to be disbursed by him upon warrants drawn by the trustees, at least two of whom shall sign any warrant for the disbursement of such the funds by the county treasurer.~~

Section 21. Section 7-13-4309, MCA, is amended to read:

"7-13-4309. Procedure to collect sewer charges. (1) The sewer charges ~~shall must~~ be collected by the treasurer.

(2) On or before July 15 of each year, notice ~~shall must~~ be given by the city treasurer or town clerk to the owners of all lots or parcels of real estate to which sewer service has been furnished prior to July 1 by the city or town. ~~Said The~~ notice ~~shall must~~ specify the assessment owing and in arrears at the time of giving ~~such~~ notice. ~~Such The~~ notice ~~shall must~~ be in writing and ~~shall must~~ state the amount of ~~such~~ arrearage, including any penalty and interest assessed pursuant to the provisions of the city or town ordinance, and that unless the ~~same amount~~ is paid by August 15 thereafter, the ~~same amount~~ will be levied as a tax against the lot or parcel of real estate to which sewer service was furnished and for which payment is delinquent ~~as above specified~~. The notice ~~shall must~~ also state that the city or town may by suit collect past-due assessments, interest, and penalties, as a debt owing the city or town, in any court of competent jurisdiction, including the city court. ~~Such The~~ notice may be delivered to ~~such the~~ owner personally or by letter addressed to ~~such the~~ owner at the post-office address of ~~such the~~ owner as ~~recorded in the office of~~

~~the county assessor shown in property tax records maintained by the department of revenue.~~

(3) (a) Except as provided in subsection (3)(b), on September 1, the city treasurer or town clerk shall certify and file with the ~~county assessor department of revenue~~ a list of all lots or parcels of real estate, giving the legal description ~~thereof of the lot or parcel~~, to the owners of which notices of arrearage in payments were given ~~as above specified~~ and which arrearage still remains unpaid and stating the amount of ~~such the~~ arrearage, including any penalty and interest. The ~~county assessor department of revenue~~ shall insert the ~~same amount~~ as a tax against ~~such the~~ lot or parcel of real estate.

(b) In cities where the council has provided by ordinance for the collection of taxes, the city treasurer shall ~~insert such collect the~~ delinquent amount, including penalty and interest, as a tax against the lot or parcel of real estate to which sewer service was furnished and payment for which is delinquent.

(4) A city or town may, in addition to pursuing the collection of assessments in the same manner as a tax, bring suit in any court of competent jurisdiction, including city court, to collect the amount due and owing, including penalties and interest, as a debt owing the city or town."

Section 22. Section 7-13-4507, MCA, is amended to read:

"7-13-4507. Notice of resolutions of intention and concurrence. (1) The commissioners shall give notice of the passage of the resolution of intention and resolution of concurrence, if applicable, and publish a notice that:

(a) describes the local water quality program that would be implemented in the local water quality district;

(b) specifies the initial proposed fees to be charged;

(c) designates the time and place where the commissioners will hear and decide upon protests made against the operation of the proposed district; and

(d) states that a description of the boundaries for the proposed district is included in the resolution on file in the county clerk's office.

(2) The notice must be published as provided in 7-1-2121 and must also be posted in three public places within the boundaries of the proposed district.

(3) The commissioners shall mail to all owners of proposed fee-assessed units, as listed in the ~~county assessor's office property tax record maintained by the department of revenue~~, a postcard that identifies the location where the resolution of intention, resolution of concurrence, and protest forms may be obtained."

Section 23. Section 7-14-2735, MCA, is amended to read:

"7-14-2735. Lien arising from assessments. (1) All of the lands in each part ~~shall be are~~ subject to a lien for all of the assessments of that part until they have been paid.

(2) The assessment ~~so made shall be is~~ a first lien on the land described in the assessment ~~roll register~~."

Section 24. Section 7-14-2738, MCA, is amended to read:

"7-14-2738. Preparation of assessment roll register. (1) When the order for improvement and construction has been made by the board, the committee and the ~~county assessor~~ *department of revenue* shall apportion the estimated cost and expenses to the land in the district.

(2) Within 30 days before the letting of the contract, the ~~assessor~~ *department* shall report to and file with the board and the treasurer an assessment roll register in duplicate. It ~~shall~~ *must* contain the description of each parcel of land to be assessed, the amount to be assessed against it, and the name of the owner, if known."

Section 25. Section 7-14-2739, MCA, is amended to read:

"7-14-2739. Notice of preparation of assessment roll register. As soon as the assessment roll register is reported and filed, the board shall publish notice as provided in 7-1-2121. The notice ~~shall~~ *must* notify all persons interested that the assessment roll register has been filed and require them to appear at the office of the board at the county seat at a time not less than 15 days from the date of the last publication of the notice to make objections."

Section 26. Section 7-14-2740, MCA, is amended to read:

"7-14-2740. Hearing on assessment roll register. At the time fixed, the board ~~and the assessor~~ shall meet. If no objections have been filed, the board shall make an order confirming the assessment roll register. If written objections, properly verified, have been filed, the board shall hear the objections, receiving ~~any~~ testimony from any party involved."

Section 27. Section 7-14-2742, MCA, is amended to read:

"7-14-2742. Correction of errors — approval of assessment roll register. (1) After the hearing, the board shall make ~~such any~~ corrections as appear just to apportion the assessment to the benefit to be received.

(2) ~~It~~ *The board* shall then make and enter an order approving and certifying the assessment roll register."

Section 28. Section 7-14-2743, MCA, is amended to read:

"7-14-2743. Levy of assessments. With the aid of the ~~assessor~~ *department of revenue*, the board shall levy and assess the amounts on the assessment roll register against the parcels of land or parts ~~thereof~~ *of parcels*. *The department shall enter in the property tax record the amounts levied and assessed."*

Section 29. Section 7-14-2744, MCA, is amended to read:

"7-14-2744. Mode of payment of assessment — immediate payment. (1) If immediate payment is chosen, the board shall deliver the assessment roll register to the county clerk as soon as it has been proved and certified. The clerk shall file a duplicate in ~~his~~ *the clerk's* office and immediately deliver the other to the treasurer.

(2) The treasurer shall publish a notice for 2 consecutive weeks in the newspapers in which the notice for bids was advertised and shall mail a copy of the notice to the owners of the land assessed, when the name and post-office address of the owner are known.

(3) Failure to mail notice ~~shall~~ *is* not be fatal to the assessment when it has been published.

(4) The notice ~~shall~~ *must* state the following:

(a) The assessment roll register has been certified to the treasurer for collection.

(b) Unless payment is made within 30 days from the date of the notice, the payment will become delinquent and ~~shall bear~~ *bears* interest at the rate of 10% per annum.

(c) If the assessment is not paid before it becomes delinquent, a penalty of 5% ~~shall~~ *must* be added, as well as the interest on the annual tax roll for the current year.

(d) The interest and penalty ~~shall~~ *must* be collected together with ~~such~~ *the* additional charges as are authorized to be charged and collected on other delinquent taxes.

(e) The land assessed ~~shall~~ *must* be sold for the amount of the assessment with interest, penalty, and costs, in the manner and with the same authority as lands are sold for general taxes."

Section 30. Section 7-14-2745, MCA, is amended to read:

"7-14-2745. Mode of payment of assessment — installment payments. (1) Installment payments ~~shall~~ *must* be made in six equal portions, in 1, 2, 3, 4, 5, and 6 years.

(2) Payments ~~shall~~ *must* be in the form of bonds ~~which shall~~ *that* draw interest, not to exceed the limitations of 17-5-102, per annum from the date they are issued until they are paid.

(3) If the mode of payment is to be by installments, the board and the committee shall approve and certify the assessment roll register.

(4) The board ~~and the assessor~~ shall, at the time of levying the assessment and in ~~their~~ *the* order setting the levy, declare that the sum charged against each parcel of land may be paid in equal annual installments with interest upon the whole sum at the rate fixed by the board of county commissioners in accordance with law. The order ~~shall~~ *must* specify the number of installments ~~that shall~~ *which must* be equal to the number of years for which the bonds may run.

(5) Each year ~~thereafter~~, the treasurer shall collect one of the installments, together with the interest due ~~thereon on that installment~~ and the interest due on the *future* installments ~~thereafter to become due~~.

(6) Provisions concerning delinquency and the sale of land set forth with relation to the mode of immediate payment ~~shall be likewise~~ are applicable to installment payments."

Section 31. Section 7-14-2755, MCA, is amended to read:

"7-14-2755. Notice of use of bonds. (1) If the board provides that payment of costs ~~shall must~~ be made by the issuance of bonds, the treasurer shall publish notice for 2 consecutive weeks and mail a copy of the notice in the same manner as is provided with relation to immediate payment.

(2) The notice ~~shall must~~ state that:

(a) the assessment ~~roll~~ register has been certified to the treasurer for collection;

(b) unless payment of the whole amount of the assessment is made within 30 days from the date of the notice, special bonds ~~shall must~~ be issued against the lands in the district for the payment of the assessment;

(c) if the bonds are issued, they will be payable in annual installments with interest ~~thereon on the bonds~~ at the rate provided in the bonds."

Section 32. Section 15-1-101, MCA, is amended to read:

"15-1-101. Definitions. (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to:

(i) the production of food, feed, and fiber commodities, livestock and poultry, bees, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and ~~the~~ profit margin shown in national appraisal guides and manuals or the valuation schedules of the department ~~of revenue~~.

(d) (i) The term "commercial", when used to describe property, means any property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except ~~that~~ property described in subsection (1)(d)(ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and, ~~beginning January 1, 1994,~~ forest lands;

(C) single-family residences and ancillary improvements and improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes used exclusively as a residence except when held by a distributor or dealer of trailers or mobile homes as ~~his~~ stock in trade;

(E) all property described in 15-6-135; and

(F) all property described in 15-6-136.

(e) The term "comparable property" means property that has similar use, function, and utility; that is influenced by the same set of economic trends and physical, governmental, and social factors; and that has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) "*Department*" means the department of revenue provided for in 2-15-1301.

(g)(h) The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2). The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other natural gas found in any coal formation.

(h)(i) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department ~~of revenue or its agent~~ determines that the permanency of location of a mobile home or housetrailer has been established, the mobile home or housetrailer is presumed to be an improvement to real property. A mobile home or housetrailer may be determined to be permanently located only when it is attached to a foundation ~~which~~ that cannot feasibly be relocated and only when the wheels are removed.

(i)(j) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification, and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on ~~such~~ leasehold improvements are a lien only on ~~such~~ the leasehold improvements.

(j)(k) The term "livestock" means cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas, bison, and domestic ungulates.

(k)(l) The term "mobile home" means forms of housing known as "trailers", "housetrailer", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any "trailer", "housetrailer", or "trailer coach" up to 8 feet in width or 45 feet in length used as a principal residence.

(l)(m) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements".

~~(m)(n)~~ The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

~~(n)(o)~~ The term "property" includes ~~moneys~~ money, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition ~~must~~ may not be construed to authorize the taxation of the stocks of any company or corporation when the property of ~~such~~ the company or corporation represented by the stocks is within the state and has been taxed.

~~(o)(p)~~ The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8; all timber belonging to individuals or corporations growing or being on the lands of the United States; and all rights and privileges appertaining ~~thereto~~ to the mines, minerals, quarries, and timber.

~~(p)(q)~~ "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

~~(q)(r)~~ The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(2) The phrase "municipal corporation" or "municipality" or "taxing unit" ~~shall be deemed to include~~ includes a county, city, incorporated town, township, school district, irrigation district, drainage district, or any person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

(3) The term "state board" or "board" when used without other qualification ~~shall mean~~ means the state tax appeal board."

Section 33. Section 15-1-111, MCA, is amended to read:

"15-1-111. Reimbursement to local governments and schools — duties of department and county treasurer — statutory appropriation.

(1) Prior to September 1, 1990, the department's agent in the county shall supply the following information to the department for each taxing jurisdiction within the county:

(a) the number of mills levied in the jurisdiction for ~~taxable~~ tax year 1989;

(b) the number of mills levied in the jurisdiction for ~~taxable~~ tax year 1990;

(c) the total taxable valuation for ~~taxable~~ tax years 1989 and 1990, reported separately for each year, of all personal property not secured by real property; and

(d) the total taxable valuation for ~~taxable~~ tax years 1989 and 1990, reported separately for each year, of all personal property secured by real property.

(2) After receipt of the information from its agent, the department shall calculate the amount of revenue lost to each taxing jurisdiction, using current year mill levies, due to the annual reduction in personal property tax rates set forth in 15-6-138, and any reduction in taxes based upon recalculation of the effective tax rate for property in 15-6-145. The department shall total the amounts for all taxing jurisdictions within the county.

(3) (a) The department shall remit to the county treasurer 50% of the amount of revenue reimbursable, determined pursuant to subsection (1), on or before November 30 and the remaining 50% on or before May 31.

(b) For tax year 1993 and for each tax year thereafter, the department shall remit to the county treasurer of each county the same amount remitted to the county treasurer for the fiscal year 1991, as adjusted by the result of dissolved or combined taxing jurisdictions, as provided for in subsection (7). Fifty percent of the amount must be remitted on or before November 30 and the remaining 50% on or before May 31.

(4) Upon receipt of the reimbursement from the department, the county treasurer shall distribute the reimbursement to each taxing jurisdiction as calculated by the department.

(5) For the purposes of this section and subject to subsection (7), "taxing jurisdiction" means a jurisdiction levying mills against personal property and includes but is not limited to a county, city, school district, tax increment financing district, *and* miscellaneous taxing district, and the state of Montana.

(6) The amounts necessary for the administration of this section are statutorily appropriated, as provided in 17-7-502, from the general fund to reimburse eligible taxing jurisdictions for reductions in tax rates on personal property.

(7) The following apply to taxing jurisdictions that were altered after tax year 1989:

(a) A taxing jurisdiction that existed in tax year 1989 and that no longer exists is not entitled to reimbursement under this section.

(b) A taxing jurisdiction that existed in tax year 1989 and that is split into two or more taxing jurisdictions is entitled to reimbursement based on the portion of 1989 taxable value within each new taxing jurisdiction. The department shall determine the portion of 1989 taxable value located in each taxing jurisdiction.

(c) A taxing jurisdiction that did not exist in tax year 1989 is not entitled to reimbursement under this section unless the jurisdiction was created as described in subsection (7)(b)."

Section 34. Section 15-1-201, MCA, is amended to read:

"15-1-201. Administration of revenue laws. (1) (a) The department ~~of revenue shall have and exercise~~ has general supervision over the

administration of the assessment and tax laws of the state, except Title 15, chapter 70, and over its agents and any officers of municipal corporations having any duties to perform under any of the laws of this state relating to taxation to the end that all assessments of property be made relatively just and equal at true value in substantial compliance with law. The department may make rules to supervise the administration of all revenue laws of the state and assist in their enforcement.

(b) The department of revenue shall adopt rules specifying which types of property within the several classes are considered "comparable property" as described in 15-1-101.

(c) The department shall also adopt rules specifying the methodology to be used in conducting sales assessment ratio studies and in for determining the value-weighted mean sales assessment ratio for all commercial and industrial real property and improvements.

(2) The department shall confer with, advise, and direct officers of municipal corporations as to concerning their duties, with respect to taxation, under the statutes laws of the state.

(3) The department shall collect annually from the proper officers of the municipal corporations information about the assessment of property, collection of taxes, receipts from licenses and other sources, the expenditure of public funds for all purposes, and other information as may be needful and helpful in the work of the department in a form prescribed by the department. It is the duty of all public officers to fill out properly and return promptly to the department all forms and to aid the department in its work. The department shall examine the records of all municipal corporations for purposes considered needful or helpful."

Section 35. Section 15-1-202, MCA, is amended to read:

"15-1-202. Enforcement of revenue laws. (1) The department of revenue may direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the penalties, liabilities, and punishment of public officials and persons or their agents for failure or neglect to comply with the provisions of the statutes, except Title 15, chapter 70, governing the revenue of the state or municipal corporations. The department shall cause complaints to be made against assessors and other public officers to the proper district court for their removal from office for official misconduct, or neglect of duty, or failure of an assessor to comply with the certification or continuing education requirements of 15-8-106.

(2) The department may require county attorneys to assist in the commencement and prosecution of actions and proceedings in their respective counties for penalties, forfeitures, removals, and punishment for violations of the laws of the state in respect to the assessment of property and other revenue laws or for failure of an assessor to comply with the certification or continuing education requirements of 15-8-106.

(3) Nothing in this section affects the authority of any other person, public officer, or public body to pursue any other legal process for the removal from

office of an assessor who forfeits office for failure to comply with certification and continuing education requirements."

Section 36. Section 15-1-205, MCA, is amended to read:

"15-1-205. Biennial report — contents. (1) The department shall transmit to the governor 20 days before the meeting of the legislature and make available to the legislature a report of the department showing all the taxable property of the state, counties, and cities and its value, in tabulated form, with recommendations for improvements in the system of taxation, together with alternative measures as may be formulated for the consideration of the legislature. The department shall follow the provisions of 5-11-210 in preparing the report.

(2) The report or supplements to the report may also include:

(a) the gross dollar amount of revenue loss attributable to:

(i) personal income and corporation license tax exemptions;

(ii) property tax exemptions for which application to the department or its agent is necessary;

(iii) deferral of income;

(iv) credits allowed against Montana personal income tax or Montana corporation license tax, reported separately;

(v) deductions from income; and

(vi) any other identifiable preferential treatment of income or property;

(b) any change in tax revenue of the state or any unit of local government attributable to a change in federal tax law; and

(c) any change in the revenue of any unit of local government attributable to a change in state tax law.

(3) The data described in subsection (2), if reported, must be related to the income and age of the taxpayer whenever the information is available.

(4) (a) When reporting the data described in subsection (2)(a), the department shall identify any known purpose of the preferential treatment.

(b) Based upon the purpose of the preferential treatment, the department shall outline the available data necessary to determine the effectiveness of the preferential treatment.

(5) In reporting the data described in subsection (2), the department shall report any comparable data, if available, from Wyoming, Idaho, North Dakota, and South Dakota and from any other state the department may choose.

(6) The department shall identify in a separate section of the report any changes that have been made or that are contemplated in property appraisal or assessment.

(7) The department may include a report, prepared by the department of transportation, showing the selling price of gasoline at the wholesale level in prime market centers of Montana and in surrounding states during the biennium, with indexes tabulated at sufficient intervals to show the comparative state price structures.

(8) The department shall include the inheritance tax information required by 72-16-202 in a separate section of the report."

Section 37. Section 15-1-303, MCA, is amended to read:

"15-1-303. Penalty for refusal to furnish information. (1) If a person refuses to allow inspection of any books or records when requested by the department ~~or its authorized agent~~ or refuses or neglects to furnish any information called for by the department in the performance of its official duties relating to the assessment and taxation of property, the department shall make a determination and assessment of the property as in its judgment appears to be just and equitable and may add to the assessment an amount not to exceed 20% of the assessment as a penalty for the refusal or neglect. The department shall immediately notify the person assessed of its action, either by certified mail or by personal service of the notice.

(2) Upon receiving an assessment made pursuant to subsection (1), the taxpayer has the following remedies:

(a) Within 15 days after receipt of the assessment, the taxpayer may request an informal conference with ~~the agent of~~ the department. At the conference, the taxpayer may present evidence in mitigation or extenuation of the failure to supply the information requested by the department. Within 10 days after the conference, ~~the agent of~~ the department shall notify the taxpayer by certified mail whether the assessment will be modified. The department may modify the penalty if the taxpayer presents sufficient evidence in mitigation or extenuation of the failure to supply the information sought by the department and if it finds that the taxpayer did not willfully refuse to supply the information.

(b) If the taxpayer is aggrieved as a result of the informal conference, the taxpayer may appeal to the county tax appeal board within 20 days after receipt of the decision of the department. The county tax appeal board has the authority to modify the:

(i) assessment only if it finds that the assessment exceeds 100% of the value of the property specified in 15-8-111; and

(ii) penalty if the taxpayer presents by a preponderance of the evidence facts in mitigation or extenuation of the failure to supply the information that the department sought.

(c) If the county tax appeal board modifies a penalty pursuant to subsection (2)(b)(ii), it may not reduce the penalty to less than 20% of the assessment; or, if the assessment is modified pursuant to subsection (2)(b)(i), to less than 20% of the modified assessment.

(3) Either party aggrieved as a result of the decision of the county tax appeal board may appeal to the state tax appeal board within 30 calendar days after receipt of the county tax appeal board's decision. When deciding an appeal

brought under this subsection, the state tax appeal board shall follow the provisions of subsections (2)(b) and (2)(c).

(4) Either party aggrieved as a result of the decision of the state tax appeal board may seek judicial review pursuant to 15-2-303."

Section 38. Section 15-6-207, MCA, is amended to read:

"15-6-207. Agricultural exemptions. (1) The following agricultural products are exempt from taxation:

(a) all unprocessed agricultural products on the farm or in storage and owned by the producer;

(b) all producer-held grain in storage;

(c) all unprocessed agricultural products, except livestock;

(d) except as provided in subsection (1)(e), livestock ~~which that~~ have not attained the age of 24 months as of ~~March~~ February 1;

(e) swine ~~which that~~ have not attained the age of 6 months as of January 1;

(f) poultry and the unprocessed products of poultry; and

(g) bees and the unprocessed product of bees.

(2) Any beet digger, beet topper, beet defoliator, beet thinner, beet cultivator, beet planter, or beet top saver designed exclusively to plant, cultivate, and harvest sugar beets is exempt from taxation if such implement has not been used to plant, cultivate, or harvest sugar beets for the 2 years immediately preceding the current assessment date and there are no available sugar beet contracts in the sugar beet grower's marketing area."

Section 39. Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners — appeals. (1) The department of revenue shall, ~~through its agent as specified in subsection (2),~~ mail to each owner or purchaser under contract for deed a notice of the classification of the land owned or being purchased and the appraisal of the improvements on the land only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

(a) change in ownership;

(b) change in classification;

(c) change in valuation; or

(d) addition or subtraction of personal property affixed to the land.

(2) (a) ~~The county assessor department~~ shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully

inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 15 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall determine the true and correct appraisal and classification of the land or improvements and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department ~~or its agent~~ may not adjust an appraisal or classification upon *the* taxpayer's objection unless:

- (a) the taxpayer has submitted an objection in writing; and
- (b) the department ~~or its agent~~ has stated its reason in writing for making the adjustment.

(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) If any property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 15 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

Section 40. Section 15-7-106, MCA, is amended to read:

"15-7-106. Courses of instruction, examination, and certification — additional courses. (1) The department ~~of revenue~~ shall offer courses in the principles, methods, and techniques of appraising for property tax purposes property in three fields:

- (a) residential property;
- (b) agricultural land; and
- (c) commercial and industrial property.

(2) ~~Twice each year the~~ The department shall conduct an examination for those who have completed a course of instruction in any of the three fields listed in subsection (1).

(3) ~~The department shall issue a certificate to each appraiser successfully completing a course of instruction and passing an examination in any of these fields.~~

(4)(3) ~~No~~ A person may *not* take the examination for appraising commercial and industrial property unless ~~he~~ *the person* holds a certificate in appraising residential property.

(4) *The department may schedule and conduct other courses within the state for appraisers, assessors, and department personnel for training in the following subjects:*

- (a) *personal property assessment;*
- (b) *property tax administration; and*
- (c) *personnel management, fiscal management, public relations, professional ethics, and related management principles.*

(5) *The department shall issue a certificate to each appraiser, assessor, or other person successfully completing a course of instruction and passing an examination in any of the fields provided for in subsection (1) or any subject provided for in subsection (4)."*

Section 41. Section 15-7-107, MCA, is amended to read:

"15-7-107. Certification required. (1) ~~Within 1 year after his employment by the department or by July 1, 1980, whichever occurs later, any~~ An appraiser employed by the department to appraise:

- (a) residential property ~~must~~ *shall* obtain a certificate in appraising residential property;
- (b) agricultural land ~~must~~ *shall* obtain a certificate in appraising agricultural land; and
- (c) commercial and industrial property ~~must~~ *shall* obtain a certificate in appraising commercial and industrial property.

(2) The department may promulgate rules requiring appraisers to complete continuing education courses in laws, rules, and methods relating to appraisal."

Section 42. Section 15-7-208, MCA, is amended to read:

"15-7-208. Reclassification by department. The department of ~~revenue or its agent~~ may reclassify land as nonagricultural upon giving due notice to the property owner or any purchaser under contract for deed under the provisions of 15-7-102. Upon notice of a change in classification of land from agricultural to another use, the property owner may petition the department to reclassify the land as agricultural by completing a form prescribed by the department and by producing whatever information is necessary to prove that the subject land meets the definition of agricultural land embodied in 15-7-202."

Section 43. Section 15-7-209, MCA, is amended to read:

"15-7-209. Reclassification by owner — lien. (1) Whenever land ~~which~~ that is or has been in agricultural use and is or has been valued, assessed, and taxed for agricultural use is applied to a use other than agricultural, the owner shall notify the ~~county-assessor department~~.

(2) The ~~county-assessor department~~ shall ~~execute provide~~, in a form eligible for recording, releases of lien, for those liens attributable to the former rollback tax, and the ~~assessor department~~ shall ~~record present~~ the releases ~~in the office of to the county clerk and recorder for recording.~~

Section 44. Section 15-7-304, MCA, is amended to read:

"15-7-304. Report of transfers — change of ownership records. (1) All transfers of real property ~~which that~~ are not evidenced by a recorded document, except those transfers otherwise provided for in this part, ~~shall must~~ be reported to the department of ~~revenue or its agent~~ on the form prescribed.

(2) ~~No agent of the~~ The department ~~may change or be is not~~ required to change any ownership records used for the assessment or taxation of real property unless ~~he the department~~ has received a transfer certificate from the clerk and recorder or a transfer has been reported to ~~him the department as provided by rule.~~

Section 45. Section 15-7-308, MCA, is amended to read:

"15-7-308. Disclosure of information restricted. The certificate required by this part and the information ~~therein shall contained in the certificate is~~ not be a public record and ~~shall must~~ be held confidential by the county clerk and recorder, ~~county-assessor, and the department of revenue.~~ This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The ~~foregoing confidentiality provisions shall do~~ not apply to compilations from ~~such the~~ certificates or to summaries, analyses, and evaluations based upon ~~such the~~ compilations."

Section 46. Section 15-7-402, MCA, is amended to read:

"15-7-402. Application for residential appraisal of certain land and improvements. (1) Any person wishing to ~~insure ensure~~ that ~~his the person's~~

residential land and improvements are appraised as residential may file a signed application with the department of ~~revenue or its agents.~~

(2) In the application, the owner ~~must shall~~:

(a) assert that the property is used only for human habitation and is the principal residence of the owner;

(b) sign a statement pledging that the property will continue to be used as residential property; and

(c) show that the statement has been filed with the county clerk and recorder of the county in which the property is located.

(3) When the department has approved an application for residential use, the department and its agents shall consider only those indicia of value that the property has for residential use.

(4) Failure to file an application under this section ~~shall may~~ not result in reclassification on real property unless there has been an actual change in use."

Section 47. Section 15-7-403, MCA, is amended to read:

"15-7-403. Rollback tax — computation. (1) (a) If land and improvements appraised as residential as a result of an application filed under 15-7-402 are changed to industrial or commercial use, the property is subject to a rollback tax in addition to the property tax levied on the property. The rollback tax is a lien on the property and is due and payable by the owner of the property at the time of the change in use.

(b) As used in this section, "rollback" means the period preceding the change in use, not to exceed 5 years, during which the property was appraised as residential.

(2) The ~~department's agent department~~ shall determine the amount of rollback tax due on the property by:

(a) determining the taxable value of the property as industrial or commercial property;

(b) multiplying this value by the sum of the annual mill levies applied in the taxing jurisdiction in which the land is located during the rollback period; and

(c) subtracting from this figure the actual property tax paid on the property during this period."

Section 48. Section 15-8-102, MCA, is amended to read:

"15-8-102. County assessor as agent of department — counties to furnish office space. (1) ~~The county assessors of the various counties of the state are agents of the department of revenue for the purpose of locating and providing the department a description of all taxable property within the county, together with other pertinent information, and for the purpose of performing such other administrative duties as are required for placing taxable property~~

~~on the assessment rolls. The assessors shall perform such other duties as are required by law, not in conflict with the provisions of this subsection.~~

~~(2) The county commissioners of the various counties each county shall provide existing office space in the county courthouse for use by the county assessor, his deputies and staff, and the state appraiser and department's assessment and appraisal staff, if such space is reasonably available. If such space is not reasonably available in the courthouse and the same must be contracted for, the department shall pay the cost thereof may contract for the procurement of suitable space. Additional personal property required by the department for the assessor to perform his duties as agent of the department shall be provided by the department.~~

~~(3) The department must provide maps for the use of its agents, showing the private lands owned or claimed in the county and, if surveyed under authority of the United States, the divisions and subdivisions of the survey. Maps of cities and villages or school districts may in like manner be provided. The cost of making such maps is a state charge and must be paid from the state general fund."~~

Section 49. Section 15-8-104, MCA, is amended to read:

"15-8-104. Department audit and review of taxable value — costs of audit paid by department. (1) When in the judgment of the director of revenue it is necessary, audits may be made for the purpose of determining the taxable value of net proceeds of mines and oil and gas wells and all other types of property subject to ad valorem taxation.

(2) The department of revenue shall may conduct audits reviews of the assessment of all commercial personal property to assure ensure that the value of the property in those classes reflects market value. Because the assessed value of commercial personal property is defined as market value under 15-8-111(2), the audits review conducted by the department shall may be primarily directed toward ensuring that all taxable personal property is reported to the department.

(3) The cost of any audit or review performed under subsection (1) or (2) shall must be paid by the department."

Section 50. Section 15-8-111, MCA, is amended to read:

"15-8-111. Assessment — market value standard — exceptions. (1) All taxable property must be assessed at 100% of its market value except as otherwise provided.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

(b) If the department uses construction cost as one approximation of market value, the department shall fully consider reduction in value caused by depreciation, whether through physical depreciation, functional obsolescence, or economic obsolescence.

(c) Except as provided in subsection (3), the market value of all motor trucks; agricultural tools, implements, and machinery; and vehicles of all kinds, including but not limited to boats and all watercraft, is the average wholesale value shown in national appraisal guides and manuals or the value of the vehicle before reconditioning and profit margin. The department of revenue shall prepare valuation schedules showing the average wholesale value when a national appraisal guide does not exist.

(3) The department of revenue or its agents may not adopt a lower or different standard of value from market value in making the official assessment and appraisal of the value of property, except:

(a) the wholesale value for agricultural implements and machinery is the loan value as shown in the Official Guide, Tractor and Farm Equipment, published by the national farm and power equipment dealers association, St. Louis, Missouri;

(b) for agricultural implements and machinery not listed in the official guide, the department shall prepare a supplemental manual where in which the values reflect the same depreciation as those found in the official guide; and

(c) as otherwise authorized in Title 15 and Title 61.

(4) For purposes of taxation, assessed value is the same as appraised value.

(5) The taxable value for all property is the percentage of market or assessed value established for each class of property.

(6) The assessed value of properties in 15-6-131 through 15-6-133 is as follows:

(a) Properties in 15-6-131, under class one, are assessed at 100% of the annual net proceeds after deducting the expenses specified and allowed by 15-23-503 or, if applicable, as provided in 15-23-515, 15-23-516, or 15-23-517.

(b) Properties in 15-6-132, under class two, are assessed at 100% of the annual gross proceeds.

(c) Properties in 15-6-133, under class three, are assessed at 100% of the productive capacity of the lands when valued for agricultural purposes. All lands that meet the qualifications of 15-7-202 are valued as agricultural lands for tax purposes.

~~(d) Beginning January 1, 1990, and ending December 31, 1993, properties in 15-6-143, under class ten, are assessed at 100% of the combined appraised value of the standing timber and grazing productivity of the land when valued as timberland.~~

~~(e) Beginning January 1, 1994, properties~~ Properties in 15-6-143, under class ten, are assessed at 100% of the forest productivity value of the land when valued as forest land.

(7) Land and the improvements on the land are separately assessed when any of the following conditions occur:

(a) ownership of the improvements is different from ownership of the land;

(b) the taxpayer makes a written request; or

(c) the land is outside an incorporated city or town. ~~(Subsection (6)(d) terminates January 1, 1994 sec. 10, Ch. 783, L. 1991.)~~

Section 51. Section 15-8-112, MCA, is amended to read:

"15-8-112. Assessments to be made on classification and appraisal.

(1) The assessments of all lands, *all* city and town lots, and all improvements must be made on the classification and appraisal as made or caused to be made by the department of revenue.

(2) The percentage basis of assessed value as provided for in chapter 6, part 1, is determined and assigned by the department when it makes its annual assessment of the property ~~which that~~ it is required to assess centrally ~~under the laws of this state. The department shall transmit such determination and assignment to its agents in apportion the assessments to the various counties with the assessments so made, and its determination is final except as to the right of review in the state tax appeal board or the proper court.~~

Section 52. Section 15-8-113, MCA, is amended to read:

"15-8-113. Appeal from percentage assignment. If any taxpayer ~~shall feel aggrieved at disagrees with~~ the percentage assignment ~~so made by the department of revenue or its agent, he shall have the right to the taxpayer may~~ appeal to the county tax appeal board on the percentage assignment the same as ~~he a taxpayer may now has appeal on valuations and also the right to may~~ appeal from the county tax appeal board to the state tax appeal board, whose findings ~~shall be are~~ final except as to the right of review in the proper courts."

Section 53. Section 15-8-115, MCA, is amended to read:

"15-8-115. Department to defend property tax appeals — costs and judgments. (1) The department ~~of revenue or its designee~~ is the party defendant in any proceeding before a county tax appeal board, the state tax appeal board, or a court of law that seeks to dispute or adjust an action of the department under 15-8-101 arising from the exercise of the department's duties as prescribed by law or administrative rule. For the purposes of proceedings before county tax appeal boards, service on the department may be obtained by serving the ~~local county assessor person designated to receive service for the department.~~

(2) Costs, if any, ~~shall must~~ be assessed against the department and not against a local taxing unit.

(3) In any suit brought in the courts of this state for the refund of taxes paid under protest and those funds are held by the treasurer of a unit of local government in a protest fund, the court shall enter judgment, exclusive of costs, against the treasurer if the court finds the taxes should be refunded."

Section 54. Section 15-8-201, MCA, is amended to read:

"15-8-201. General assessment day. (1) The department ~~of revenue or its agent must shall~~, between January 1 and the second Monday of July in each year, ascertain the names of all taxable inhabitants and assess all property

subject to taxation in each county. The department ~~or its agent must shall~~ assess property to the person by whom it was owned or claimed or in whose possession or control it was at midnight of the preceding January 1 ~~next preceding. It must~~ The department shall also ascertain and assess all mobile homes arriving in the county after midnight of the preceding January 1 ~~next preceding. No A mistake in the name of the owner or supposed owner of real property, however, renders does not invalidate the assessment invalid.~~

(2) The procedure provided by this section ~~may does~~ not apply to:

(a) motor vehicles that are required by 15-8-202 to be assessed on January 1 or upon their anniversary registration date;

(b) motor homes, travel trailers, and campers;

(c) watercraft;

(d) livestock;

(e) property defined in 61-1-104 as "special mobile equipment" that is subject to assessment for personal property taxes on the date that application is made for a special mobile equipment plate;

(f) mobile homes held by a distributor or dealer of mobile homes as ~~a part of his stock in trade; and~~

(g) property subject to the provisions of 15-16-203.

(3) Credits must be assessed as provided in 15-1-101(1)(f)."

Section 55. Section 15-8-202, MCA, is amended to read:

"15-8-202. Motor vehicle assessment. (1) The department ~~or its agent must shall~~, in each year, ascertain and assess all motor vehicles, other than motor homes, travel trailers, and campers or mobile homes, in each county subject to taxation as of January 1 or as of the anniversary registration date of those vehicles as provided by law, subject to 61-3-313 through 61-3-316 and 61-3-501. The assessment for all motor vehicles must be made in accordance with 61-3-503. The motor vehicles ~~shall must~~ be assessed in each year to the persons by whom owned or claimed or in whose possession or control they were at midnight of January 1 or the anniversary registration date ~~thereof, whichever is applicable.~~

(2) ~~No tax~~ A tax may ~~not~~ be assessed against motor vehicles subject to taxation that constitute inventory of motor vehicle dealers as of January 1. These vehicles and all other motor vehicles subject to taxation brought into the state subsequent to January 1 as motor vehicle dealers' inventories ~~shall must~~ be assessed to their respective purchasers as of the dates the vehicles are registered by the purchasers.

(3) "Purchasers" includes dealers who apply for registration or reregistration of motor vehicles, except as otherwise provided by 61-3-502.

(4) Goods, wares, and merchandise of motor vehicle dealers, other than new motor vehicles and new mobile homes, ~~shall must~~ be assessed at market value as of January 1."

Section 56. Section 15-8-205, MCA, is amended to read:

"15-8-205. Initial assessment of class four trailer and mobile home property — when. The county assessor department shall assess all class four trailer and mobile home property immediately upon arrival in the county if the taxes have not been previously paid for that year in another county in Montana."

Section 57. Section 15-8-301, MCA, is amended to read:

"15-8-301. Statement — what to contain. (1) The department of revenue or its agent must require from each a person a statement under oath setting forth specifically all the real and personal property owned by, such person or in his possession of, or under his the control of the person at midnight on January 1. Such The statement must be in writing, showing separately:

(a) all property belonging to, claimed by, or in the possession or under the control or management of such the person;

(b) all property belonging to, claimed by, or in the possession or under the control or management of any firm of which such the person is a member;

(c) all property belonging to, claimed by, or in the possession or under the control or management of any corporation of which such the person is president, secretary, cashier, or managing agent;

(d) the county in which such the property is situated or in which it the property is liable to taxation and, (if liable to taxation in the county in which the statement is made), also the city, town, school district, road district, or other revenue districts in which it the property is situated;

(e) an exact description of all lands, in parcels or subdivisions not exceeding 640 acres each and the sections and fractional sections of all tracts of land containing more than 640 acres which have been sectionized by the United States government; improvements, and personal property; all taxable state, county, city, or other municipal or public bonds and the taxable bonds of any person, firm, or corporation and deposits of money, gold dust, or other valuables and the names of the persons with whom such deposits are made and the places in which they may be found; all mortgages, deeds of trust, contracts, and other obligations by which a debt is secured and the property in the county affected thereby;

(f) all solvent credits, secured or unsecured, due or owing to such person or any firm of which he is a member or due or owing to any corporation of which he is president, secretary, cashier, or managing agent;

(g)(f) all depots, shops, stations, buildings, and other structures erected on the space covered by the right-of-way and all other property owned by any person owning or operating any railroad within the county.

(2) Whenever one member of a firm or one of the proper officers of a corporation has made a statement showing the property of the firm or corporation, another member of the firm or another officer need is not required to include such the property in the that person's statement made by him but this the statement must show the name of the person or officer who made the statement in which such the property is included.

(3) The fact that such a statement is not required or that a person has not made such a statement, under oath or otherwise, does not relieve his the person's property from taxation."

Section 58. Section 15-8-303, MCA, is amended to read:

"15-8-303. Statement to be completed and returned to department's agent department. The agent of the department of revenue may fill out the statement at the time he presents it, or he may deliver it the statement specified in 15-8-301 to the person owning taxable property and require him the person, within an appointed time, to return the same to him statement, properly filled out. The agent must either in person or by mail deliver to department shall notify the person making the statement a copy of the same, showing of any corrections made thereto by the agent department."

Section 59. Section 15-8-304, MCA, is amended to read:

"15-8-304. Enforcement powers of department. (1) The department of revenue has power to may:

(a) require any person in the state to make and subscribe an affidavit, giving his the person's name, and place of residence, and post-office address;

(b) subpoena and examine any person in relation to any statement furnished to it the department or which any statement that discloses property which that is assessable in the state.

(2) The department may exercise this power in any county where the person whom it desires to examine may be found but has no power to may not require such the person to appear before it in any other county other than that in which the subpoena is served.

(3) In case such affidavit shows the residence of the person making the same to be in any county other than that in which it is taken or the statement discloses property in any county other than that in which it is made, the department must, in the respective case, file the affidavit or statement in its office and transmit a copy of the same, certified by it, to its agent in the county in which such residence or property is therein shown to be."

Section 60. Section 15-8-307, MCA, is amended to read:

"15-8-307. Land assessment. (1) Land Except as provided in subsection (2), land must be assessed in parcels or subdivisions not exceeding 640 acres, and tracts of land containing more than 640 acres which that have been sectionized by the United States government must be assessed by sections or fractions of sections.

(2) If the department receives the written consent of all persons with an ownership interest, the department may assess multiple parcels or tracts of land with common ownership collectively as a single tract of land.

(2)(3) The department of revenue or its agent must set aside one line in the assessment book for shall itemize in the property tax record the description of each 640 acres of land or less, the number of acres to be entered in one column, the description in another column, the value in another column of the land, the

value of improvements in another column, and the total in the total column value. It must also set aside a line in the assessment book for The property tax record must itemize the description of each town or city lot, the description to be entered in one column and the value of the lot and any improvements thereon in another column on the lot, except that a lot and improvements thereon shall must be separately assessed when required under 15-8-111; provided that If all of the unimproved lots of the same value, situate are located in one block or belonging to are owned by the same party, the lots may be described and assessed in one line a single unit in the manner above provided prescribed for each lot. It is the intention hereby that each Each parcel and lot show in its own line and opposite must be segregated in the property tax record to correlate the description thereof of the parcel or lot to the total value of the same parcel or lot and any improvements thereon on the parcel or lot."

Section 61. Section 15-8-402, MCA, is amended to read:

"15-8-402. Property of a firm or corporation person. The property of every firm and corporation person must be assessed in the county where the property is situate located and must be assessed in the name of the firm or corporation that person."

Section 62. Section 15-8-601, MCA, is amended to read:

"15-8-601. Assessment revision — conference for review. (1) (a) Except as provided in subsection (1)(b), whenever the department of revenue discovers that any taxable property of any person has in any year escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess the same property provided that the property is under the ownership or control of the same person who owned or controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. All such revised assessments must be made within 10 years after the end of the calendar year in which the original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property subject to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation, regardless of the ownership of the property at the time of the department's revised assessment.

(2) Whenever When the department or its agent proposes to increase the valuation of locally assessed property above the value revise the statement reported by the taxpayer under 15-8-301, the action of the department is subject to the notice and conference provisions of this section. Revised assessments of centrally assessed property are subject to review pursuant to 15-1-211.

(3) (a) Notice of revised assessment pursuant to this section shall must be made by the department or its agent by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. If the property is locally assessed, the notice shall must include the opportunity for a conference on the matter, at the request of the person interested, not less than within 15 or more than 30 days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative Procedure Act. The department shall keep minutes in writing of each assessment revision review conference, which and the minutes are public records.

(c) Following an assessment revision review conference or expiration of the opportunity therefor for a conference, the department shall order such an assessment as it considers proper. Any party to the conference aggrieved by the action of the department may appeal to the county tax appeal board at its next meeting.

(4) The department must record in a book to be kept for that purpose all changes, corrections, and orders made by it and must direct its agent to shall enter upon the assessment book in the property tax record all changes and corrections made by it.

(5) Immediately upon receipt of a revised assessment, the county official possessing the assessment roll book shall enter the revised assessment. If the revised assessment corrects an original assessment, the previous entry shall be canceled upon order of the department."

Section 63. Section 15-8-701, MCA, is amended to read:

"15-8-701. Assessment book Property tax record — definition — listing property in. (1) Unless the context clearly indicates otherwise, the term "assessment book" "property tax record" means the record that is kept in each county by the agent of the department of revenue and which that contains the information described in subsection (3) (2). The term includes; records referred to as an "assessment book" or "assessment roll" and, in a county wherein the assessment book in which the property tax record is kept on a computer system, the information on the system analogous to the information described in subsection (3) (2).

(2) The form of the assessment book must be as directed by the department.

(3)(2) The department must shall prepare an assessment book a property tax record with appropriate headings, alphabetically arranged, in which must be listed all property within the state and in which must be specified, in separate columns under the by an appropriate head heading:

(a) the name of the person to whom the property is assessed;

(b) land, by township, range, section or fractional section, and when such land is not a United States land division or subdivision, by metes and bounds or other description sufficient to identify it, giving an estimate of the number of acres, not exceeding in each and every tract 640 acres, the locality, and the improvements thereon on the land;

(c) city and town lots, naming the city or town and the number of the lot and block, according to the system of numbering in such city or town, and the value of same with improvements thereon;

(d)(c) all taxable personal property, showing the number, kind, amount, and quality; but a failure to enumerate in detail such the personal property does not invalidate the assessment;

(e)(d) the assessed value of real estate ~~other than city or town lots~~;

(f)(e) the assessed value of ~~city and town lots with improvements thereon~~ on land, except that a lot land and improvements thereon shall must be separately listed when required under 15-8-111;

(g)(f) the assessed value of improvements on real estate assessed to persons other than the owners of the real estate. Taxable improvements owned by a person, located upon land exempt from taxation, shall must, as to the manner of assessment, be assessed as other real estate upon the assessment roll. No A value, however, may not be assessed against the exempt land, nor under any circumstances may and the land may not be charged with or become and is not responsible for the assessment made against any taxable improvements located thereon on the land.

(h)(g) the assessed value of all taxable personal property;

(i)(h) the school, road, and other revenue districts in which each piece of property assessed is situated;

(j)(i) the total assessed value of all property;

(j) the taxable value of all property;

(k) the taxes and fees assessed against the property; and

(l) the total of each type of tax, levy, and fee."

Section 64. Section 15-8-702, MCA, is amended to read:

"15-8-702. Persons desiring to be listed. Lands once described on the assessment book property tax record do not need not to be described a second time, but any person claiming the same land and desiring to be assessed therefor for the land may have the person's name inserted with that of the person to whom such the land is assessed."

Section 65. Section 15-8-704, MCA, is amended to read:

"15-8-704. Map book. The department of revenue must shall make a plat of the various blocks within any incorporated city or town in a map book and mark thereon in each subdivision the name of maps showing public and private land for each county and shall designate the person to whom it the land is assessed."

Section 66. Section 15-8-707, MCA, is amended to read:

"15-8-707. Correction of defects in form of assessment book property tax record. (1) At any time after the original assessment is made and prior to a sale for delinquent taxes, omissions, errors, or defects in form in the assessment book property tax record may only be corrected by the:

(a) department of revenue or its agent; or

(b) county assessor or county treasurer with verification from the department.

(2) If the correction involves an assessment of property that is the subject of pending litigation with a taxing jurisdiction within the county, the consent of the county attorney must be obtained before any notified of the correction may be made."

Section 67. Section 15-8-709, MCA, is amended to read:

"15-8-709. Statement of changes to be sent to county clerk and recorder. The department of revenue shall transmit to notify each county clerk and recorder a statement of the changes made by the department in the assessment book property tax record of the county or any assessment contained therein in the property tax record, which shall be changes are prima facie evidence of the regularity of all proceedings of the department resulting in the action which that is the subject matter of the statement."

Section 68. Section 15-8-710, MCA, is amended to read:

"15-8-710. Assessment and delinquent books Property tax record prima facie evidence. The assessment book property tax record or delinquent list or a copy thereof of either certified by the county clerk and recorder treasurer showing unpaid taxes against any person or property is prima facie evidence of the assessment, the property assessed, the delinquency, the amount of taxes due and unpaid, and that all the forms of the law in relation to the assessment and levy of such the taxes have been complied with."

Section 69. Section 15-9-101, MCA, is amended to read:

"15-9-101. Department to equalize valuations — hearing. (1) The department of revenue shall adjust and equalize the valuation of taxable property among the several counties, and between the different classes of taxable property in any county and in the several counties, and between individual taxpayers; supervise and review the acts of agents of the department; change, increase, or decrease valuations made by its agents; and exercise such authority and shall do all things necessary to secure a fair, just, and equitable valuation of all taxable property among counties, between the different classes of property, and between individual taxpayers.

(2) The department may hold a public hearing to determine the value of any class of property in any county and shall have authority to may raise or lower the value of any class of property on the basis of testimony adduced at such the hearing.

(3) Upon At the hearing of the application, the department may subpoena such witnesses; and hear and take such evidence in relation to the subject pending as in its discretion it may deem considers proper."

Section 70. Section 15-9-103, MCA, is amended to read:

"15-9-103. Department to use records in equalizing. The department of revenue must shall use the abstract and all other information it may gain from the records of the county clerk and recorder or elsewhere in equalizing the assessment of the property of each county and may require entry upon the assessment book of shall enter in the property tax record any property which that has not been assessed. Any assessment made as prescribed in this section has

~~the same force and effect as if made before the delivery of the assessment book to the county clerk."~~

Section 71. Section 15-10-202, MCA, is amended to read:

"15-10-202. Certification of taxable values and millage rates. ~~At the time that the assessment roll is prepared and published By the second Monday in July, the department of revenue or its agent shall certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. The department or its agent shall also send to each taxing authority a written statement of its best estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll property tax record and the value of deletions from the previous assessment roll property tax record. Exclusive of new construction, improvements, and deletions, the department or its agent shall certify to each taxing authority a millage rate which that will provide the same ad valorem revenue for each taxing authority as was levied during the prior year. For the purpose of calculating the certified millage, the department or its agent shall use 95% of the taxable value appearing on the roll property tax record, exclusive of properties appearing for the first time on the assessment roll in the property tax record."~~

Section 72. Section 15-10-203, MCA, is amended to read:

"15-10-203. Increase of tax revenue — advertisement of intention and public hearing required. (1) ~~No~~ A local taxing authority may *not* budget an increased amount of ad valorem tax revenue in excess of the property tax revenue it received the previous fiscal year exclusive of revenue from ad valorem taxation on properties appearing for the first time on the ~~assessment roll~~ *property tax record* unless it adopts a resolution to budget additional property tax revenue. Prior to adoption of the resolution, the taxing authority shall hold a public hearing for the purpose of receiving comments on its intention to budget increased property tax revenue. The taxing authority shall advertise notice of the public hearing as specified in subsection (2). The public hearing may be held in conjunction with the tentative budget hearing or any other budget hearing that may be required by law.

(2) The taxing authority shall advertise its intent to budget an increase in property tax revenue in a newspaper meeting the requirements of 7-1-4127, except *that* the newspaper may not be primarily in the business of publishing legal advertisements. If there is no newspaper in the county, in addition to being posted as required in 7-1-4127, the advertisement must be published in one or more newspapers of general circulation widely subscribed to by the residents of the county. The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement must meet the notice requirements of 7-1-4128. The advertisement must be published with at least the following information:

NOTICE OF BUDGET INCREASE FROM PROPERTY TAXES

The (name of the taxing authority) intends to budget an increase in revenue from property taxation by (percentage of increase in property tax revenue from previous fiscal year) percent.

All concerned persons are invited to attend a public hearing on budgeting the increased property tax revenue to be held on (date and time) at (meeting place).

A decision on budgeting the increased property tax revenue will be made after considering comments made at this hearing.

For further information please contact: (name, address, and phone number of person who can be contacted for further information)."

Section 73. Section 15-10-205, MCA, is amended to read:

"15-10-205. Approval and copies of resolution or ordinance. The resolution or ordinance approved in the manner provided for in this part ~~shall~~ *must* be forwarded to the ~~assessor, county treasurer, and the department of revenue. No millage~~ *Millage* in excess of the department's certified millage ~~can~~ *may not* be levied until the resolution or ordinance to levy required in subsections (1) and (2) of 15-10-204 is approved by the governing board of the taxing authority and submitted to the ~~assessor and the department."~~

Section 74. Section 15-10-206, MCA, is amended to read:

"15-10-206. Exceptions for decisions of tax appeal boards. The ~~department or its agent~~ shall notify each taxing authority of any change in the ~~assessment roll which property tax record that~~ results from actions by the state or county tax appeal boards. An increase in the taxing authority's millage above ~~that the millage~~ certified by the department ~~or its agent~~ or adopted by resolution or ordinance of the governing body of the taxing authority ~~which that~~ is required solely by a reduction of the ~~assessment roll property tax record~~ by the state or county tax appeal board may be adopted without further notice."

Section 75. Section 15-10-305, MCA, is amended to read:

"15-10-305. Department Clerk and recorder to report mill levy — department to compute and enter taxes — affidavit. (1) *The county clerk and recorder shall by the third Monday in August notify the department of the number of mills needed to be levied for each taxing jurisdiction in the county. The department of revenue or its agent must then shall compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed and shall add any fees or assessments required to be levied against a person owning property. All taxes, fees, and assessments must be itemized for the property listed in the property tax record. and enter in a separate money column in the assessment book the respective sums in dollars and cents, rejecting the fractions of a cent, to be paid as a tax on the property therein enumerated and foot up the columns showing the total amount of such taxes and the columns of total value of property in the county and shall attach thereto his affidavit, by him subscribed as follows and shall on or before the second Monday of October deliver the completed assessment book to the county clerk and recorder:*

"I, ..., an agent of the department of revenue, do swear that I have reckoned the respective sums due as taxes and have added up the columns of valuations, taxes, and acreage as required by law, and the assessment book to which this affidavit is affixed is full, true, and correct and made in the manner prescribed by law."

(2) The department shall complete the computation of the amount of taxes, fees, and assessments to be levied against the property and shall notify the county clerk and recorder and the county treasurer by the second Monday in October."

Section 76. Section 15-15-101, MCA, is amended to read:

"15-15-101. County tax appeal board — meetings and compensation.

(1) The board of county commissioners of each county shall appoint a three-member county tax appeal board, with the members to serve staggered terms of 3 years each. The members of each county tax appeal board ~~shall must~~ be residents of the county in which they serve. ~~They shall~~ The members receive compensation of \$45 a day and travel expenses, as provided for in 2-18-501 through 2-18-503, only when the county tax appeal board is in session to hear taxpayers' appeals from property tax assessments or when they are attending meetings called by the state tax appeal board. Travel expenses and compensation must be paid from the appropriation to the state tax appeal board. Office space and equipment for the county tax appeal boards must be furnished by the county. All other incidental expenses must be paid from the appropriation of the state tax appeal board.

(2) The county tax appeal board shall hold an organizational meeting each year on the date of its first scheduled hearing, immediately before conducting the business for which the hearing was otherwise scheduled. It ~~must shall~~ continue in session from time to time to hear protests concerning assessments made by the department of revenue until the business of hearing protests is disposed of, but, except as provided in 15-2-201, not later than 60 days after the department of revenue or its agent:

(a) has mailed notice of classification and appraisal to all property owners and purchasers under contracts for deed as required in 15-7-102; and

(b) has notified the county tax appeal board that classification and appraisal notices have been mailed to all property owners and purchasers under contracts for deed.

(3) In connection with an appeal, the county tax appeal board may change any assessment or fix the assessment at some other level. The county clerk ~~and recorder~~ shall publish a notice to taxpayers, giving the time the county tax appeal board will meet to hear protests concerning assessments and the latest date the county tax appeal board may take applications for the hearings. The notice must be published in a newspaper if any is printed in the county or, if none, then in the manner that the county tax appeal board directs. The notice must be published at least 7 days prior to the first meeting of the county tax appeal board.

(4) Challenges to a department of revenue rule governing the assessment of property or to an assessment procedure apply only to the taxpayer bringing the challenge and may not apply to all similarly situated taxpayers unless an action is brought in the district court as provided in 15-1-406."

Section 77. Section 15-15-102, MCA, is amended to read:

"15-15-102. Application for reduction in valuation. The valuation of property may not be reduced by the county tax appeal board unless either the

taxpayer or the taxpayer's agent makes and files a written application for reduction with the county tax appeal board. The application must be filed on or before the first Monday in June or 15 days after receiving either a notice of classification and appraisal or determination after review under 15-7-102(3) from the department of revenue or its agent, whichever is later. If the department's determination after review is not made in time to allow the county tax appeal board to review the matter during the current tax year, the appeal must be reviewed during the next tax year, but the decision by the county tax appeal board is effective for the year in which the request for review was filed with the department. The application must state the post-office address of the applicant, specifically describe the property involved, and state the facts upon which it is claimed the reduction should be made."

Section 78. Section 15-15-103, MCA, is amended to read:

"15-15-103. Examination of applicant — failure to hear application.

(1) Before the county tax appeal board grants any application or makes any reduction applied for, it ~~must shall~~ examine on oath the person or agent making the application, touching the value of the property of each person. ~~No A reduction must may not be made unless such person or agent the applicant makes an application, as provided in 15-15-102, and attends and answers all questions pertinent to the inquiry. The testimony of all witnesses upon such at the hearing must be taken in shorthand or by stenotype or electronically recorded and preserved for 1 year. If the decision of the county tax appeal board is appealed, all testimony must be transcribed or otherwise reduced to writing and forwarded, together with all exhibits, to the state tax appeal board. The date of hearing, the proceedings before the board, and the decision must be entered upon the minutes of the board, and the board shall notify the applicant of its decision by mail within 3 days thereafter. A copy of the minutes of the county tax appeal board must be transmitted to the state tax appeal board no later than 3 days after the board holds its final hearing of the year.~~

(2) If a county tax appeal board refuses or fails to hear a taxpayer's timely application for a reduction in valuation of property, the taxpayer's application is considered to be granted on the day following the board's final meeting for that year. The ~~county treasurer department~~ shall enter the appraisal or classification sought in the application in the ~~assessment book property tax record~~. An application is not automatically granted for the following appeals:

(a) those listed in 15-2-302; and

(b) if a taxpayer's appeal from the department's determination of classification or appraisal made pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the board during its current 60-day session."

Section 79. Section 15-16-101, MCA, is amended to read:

"15-16-101. Treasurer to publish notice — manner of publication.

(1) Within 10 days after the receipt of the ~~assessment book property tax record~~, the county treasurer ~~must shall~~ publish a notice specifying:

(a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 ~~next thereafter~~ or within 30 days after

the notice is postmarked and that unless paid prior to that time the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from ~~and after such the time of~~ delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

(b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on ~~the next~~ May 31 ~~next thereafter~~ and that unless paid prior to that time the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% per month from ~~and after such the time of~~ delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(c) the time and place at which payment of taxes may be made.

(2) ~~He must~~ *The county treasurer shall* send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice ~~shall~~ *must* include:

(a) the taxable value of the property;

(b) the total mill levy applied to that taxable value;

(c) the value of each mill in that county;

(d) itemized city services and special improvement district assessments collected by the county;

(e) the number of the school district in which the property is located; and

(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district tax, and other tax.

(3) The municipality shall, upon request of the county treasurer, provide the information to be included under subsection (2)(d) ready for mailing.

(4) The notice in every case must be published once a week for 2 weeks in a weekly or daily newspaper published in the county, if there is one, or if there is not, then by posting it in three public places. Failure to publish or post notices does not relieve the taxpayer from any of ~~his liabilities~~ *tax liability*. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect the legality of the tax."

Section 80. Section 15-16-104, MCA, is amended to read:

"15-16-104. Entry of payment — receipt. (1) The county treasurer ~~must shall~~ note the date and the amount of the payment of any tax in the ~~assessment-book property tax record~~ *opposite the name of the person paying.*

(2) (a) Except as provided in subsection (2)(b), ~~he must~~ *the county treasurer shall* give a receipt to the person paying any tax, specifying the amount of the assessment and the tax paid, with a description of the property assessed.

(b) If the payment is received through the mail or by any electronic means, the county treasurer ~~must shall~~ issue a receipt only on request of the person paying the tax. If the county treasurer issues a receipt, it must contain the information specified in subsection (2)(a)."

Section 81. Section 15-16-105, MCA, is amended to read:

"15-16-105. When property assessed more than once. When the county treasurer discovers that any property has been assessed more than once for the same year, ~~he must the county treasurer shall~~ collect only the tax justly due and ~~make return of the facts under affidavit to the county clerk and recorder report that fact to the department.~~

Section 82. Section 15-16-115, MCA, is amended to read:

"15-16-115. Treasurer's record of personal property taxes paid. (1) On or before December 1 of each year, the county treasurer shall note on the ~~assessment-book property tax record~~, opposite the name of each person from whom taxes have been collected ~~by him in pursuance of the report of the assessor~~, the amount of taxes received and the date of receipt.

(2) If the taxes have not been collected, the treasurer shall note in the ~~assessment-book property tax record~~ the reason why collection was not made."

Section 83. Section 15-16-117, MCA, is amended to read:

"15-16-117. Personal property — treasurer's duty to collect certain taxes. (1) The county treasurer shall demand payment of poor fund taxes, authorized by 53-2-322, and road taxes, authorized by 7-14-2206 or 7-14-2501 through 7-14-2504, of every person liable for the taxes whose name does not appear on the ~~assessment-lists property tax record~~. On the neglect or refusal of a person to pay the taxes, the treasurer shall collect the taxes by seizure and sale of any property owned by the person.

(2) These taxes must be added ~~upon the assessment-lists in the property tax record~~ to other property taxes of persons paying taxes upon real and personal property and *must be* paid to the county treasurer at the time of payment of other taxes.

(3) The procedure for the sale of property by the county treasurer for the taxes ~~must be~~ *is* regulated by ~~15-16-113 [section 157]~~ and 15-17-911.

(4) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 84. Section 15-16-203, MCA, is amended to read:

"15-16-203. Assessment of property previously exempt. (1) Real property or improvements exempt from taxation under Title 15, chapter 6, that during a ~~taxable tax~~ year become the property of a person subject to taxation must be assessed and taxed from the date of change from a nontaxable status to a taxable status.

(2) As provided in subsection (3), the county treasurer shall adjust the tax that would have been due and payable for the current year on the property under 15-16-102 ~~had if~~ the property *was* not been exempt.

(3) To determine the amount of tax due for previously exempt property, the county treasurer shall multiply the amount of tax levied and assessed on the

original taxable value of the property for the year by the ratio that the number of days in the year that the property will be in taxable status bears to 365.

(4) If the property has not been assessed and taxed during the taxable year because of exemption, the department of revenue or its agent shall prepare a special assessment for the property and the county treasurer shall determine the amount of taxes that would have been due under subsection (2).

(5) Upon determining the amount of tax due, the county treasurer shall notify the person to whom the tax is assessed, in the same manner as notification is provided under 15-16-101(2), of the amount due and the date or dates on which the taxes due are payable as provided in 15-16-102."

Section 85. Section 15-16-302, MCA, is amended to read:

"15-16-302. Tabulation and transmittal of real property delinquent list. (1) The county treasurer ~~must shall~~, at the time specified in 15-16-301, deliver to the county clerk and recorder a complete delinquent list of all persons and property then owing taxes and the property on which the taxes are owed.

(2) In the list ~~so delivered~~, all matters and things contained in the ~~assessment book and property tax record~~ relating to delinquent persons or property must be set down in numerical or alphabetical order.

(3) The county clerk and recorder ~~must shall~~ carefully compare the list with the ~~assessment book property tax record~~, and if satisfied that ~~it the~~ list contains a full and true statement of all taxes due and unpaid, ~~he must the county clerk and recorder shall~~ total the amount of taxes remaining unpaid, credit the county treasurer ~~therewith with that amount~~, make a final settlement with the treasurer of all taxes charged against the treasurer on the ~~assessment book property tax record~~, and require from the treasurer an immediate account for any existing deficiency."

Section 86. Section 15-16-305, MCA, is amended to read:

"15-16-305. Disposition of delinquent list. (1) On the third Tuesday of February, the county clerk and recorder ~~must shall~~ compare the lists with the assessments of persons and property not ~~marked shown as~~ "paid" on the ~~assessment book property tax record~~. If the taxes have been paid, the county clerk and recorder ~~must shall~~ note the fact in the appropriate ~~column in the assessment book section of the property tax record~~.

(2) The county clerk and recorder ~~must shall~~ then administer to the county treasurer an oath, to be written and subscribed in the delinquent list, that every person and all property assessed in the delinquent list on which taxes have been paid have been credited in the list with ~~such the~~ payment.

(3) The county clerk and recorder ~~must shall~~ then total the amount of taxes remaining unpaid and credit the treasurer with the amount and have a final settlement with the treasurer. The delinquent list must remain in the county clerk and recorder's office.

(4) At the time mentioned in subsection (1) ~~of this section~~, the treasurer ~~must shall~~ make an affidavit, endorsed on the list, that the taxes not marked "paid" have not been paid and that ~~he the~~ treasurer has not been able to discover

any property belonging to or in possession of the persons liable to pay the sum whereof taxes to collect them."

Section 87. Section 15-16-402, MCA, is amended to read:

"15-16-402. Tax on personal property lien on realty — separate assessment — filing of mortgage satisfaction. (1) The tax due ~~upon on~~ personal property is a prior lien upon ~~any or all of~~ the personal property. The lien has precedence over any other lien, claim, or demand upon the personal property. Except as provided in subsection (2), the tax ~~upon on~~ personal property is also a lien upon the real property of the owner ~~thereof of the personal property~~ on and after January 1 of each year.

(2) The taxes ~~upon on~~ personal property based ~~upon on~~ a taxable value up to and including \$10,000 are a first and prior lien upon the real property of the owner of the personal property. Taxes ~~upon on~~ personal property based ~~upon on~~ the ~~on a~~ taxable value thereof in excess of \$10,000 are a first and prior lien upon the real property of the owner unless the owner or holder of any mortgage or other lien upon the real property appearing of record in the office of the clerk and recorder of the county where the real property is situated, at or before the time the personal property tax attached ~~thereto to the real property~~, has filed a notice as provided in subsection (3). If the notice is filed, the personal property taxes ~~upon on~~ the taxable value in excess of \$10,000 are not a lien ~~on upon~~ the owner's real property. The county treasurer shall, at the request of a mortgagee or lienholder, issue a statement of the personal property tax due ~~upon on~~ the taxable value up to and including \$10,000. Personal property taxes ~~upon on~~ a taxable value up to \$10,000 may be paid, redeemed from a tax sale as ~~by law~~ provided by law, or discharged separately from any personal property taxes in excess of ~~such that~~ amount. Payment of the taxes ~~upon on~~ a taxable value up to \$10,000, as provided in this subsection, ~~shall operate to discharge the tax lien upon the personal property of the owner to the extent of such the payment in the order that the person paying such the tax shall direct directs~~.

(3) The holder of any mortgage or lien upon real property who desires to obtain the benefits of this section shall file each year in the office of the county treasurer of ~~said the county and with the department~~ a notice giving:

- (a) the name and address of the mortgagee and holder of the mortgage or lien;
- (b) the name of the reputed owner of the land;
- (c) the description of the land;
- (d) the date of record and expiration of the mortgage or lien;
- (e) the amount ~~thereof of the mortgage or lien~~; and
- (f) a statement that ~~he the~~ holder claims the benefit of the provisions of this section.

(4) ~~Such The~~ notice ~~shall be~~ is ineffectual as to any taxes ~~which shall have become that are~~ a lien ~~on upon~~ real property prior to the filing of ~~such the~~ notice as provided in subsection (3).

(5) ~~Any owner~~ A holder of a mortgage on real property upon which personal property taxes are by a lien under this section made a lien, where when the owner of such the real property and personal property has failed to pay taxes due upon such on the real property and personal property for 1 or more years, may file with the department of revenue or its agent in the county in which such property is located a written request to have the personal property and real property of the owner separately assessed. Such The request must be made by registered or certified mail at least 10 days prior to January 1 in the year for which property is assessed. Upon receipt by the department or its agent of such the request, it is the duty of the department or its agent to shall make a separate assessment of real and personal property of the owner thereof of the property, and such the personal property taxes shall may not be a lien upon the mortgaged real property so mortgaged of the owner thereof, and the. The personal property taxes shall must be collected in the manner provided by law for other personal property.

(6) The holder of a mortgage or lien upon real property who files a certificate of satisfaction and the proof and acknowledgment thereof of filing the certificate, as provided for in 71-1-211, shall file a copy of the certificate and the proof and acknowledgment with:

(a) the county treasurer if the holder has filed a notice under subsection (3); and

(b) the department of revenue or its agent in the county in which the real property is located if the holder has filed a written request under subsection (5).

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17."

Section 88. Section 15-16-504, MCA, is amended to read:

"15-16-504. Evidence at trial. On the trial, a certified copy of the assessment signed by the county clerk and recorder of the county where the assessment was made, with the affidavit of the county treasurer thereto attached that the tax has not been paid attached to the copy, describing it the assessment as on the assessment-book property tax record or delinquent list, is prima facie evidence that the taxes, plus interest, penalties, and costs, are due and entitles him the county to judgment unless the defendant proves that the tax was paid."

Section 89. Section 15-16-611, MCA, is amended to read:

"15-16-611. Reduction of property tax for property destroyed by natural disaster — proration of taxes on replaced property. (1) The department of revenue shall, upon showing by a taxpayer that some or all of the improvements on his the taxpayer's real property, or that a trailer or mobile home, or that personal property taxed under Title 15, chapter 6, part 1, has been destroyed to such an extent that the improvements or personal property has been rendered unsuitable for its previous use by natural disaster, adjust the taxable value on the property, accounting for the destruction.

(2) The county treasurer shall adjust the tax due and payable for the current year on the property under 15-16-102 or on personal property under 15-16-113 [section 157] or 15-24-202 as provided in subsection (3) of this section.

(3) To determine the amount of tax due for destroyed property, the county treasurer shall:

(a) multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property existed before destruction bears to 365; and

(b) multiply the amount of tax levied and assessed on the adjusted taxable value of the property for the remainder of the year by the ratio that the number of days remaining in the year after the destruction of the property bears to 365.

(4) This section does not apply to delinquent taxes owed on the destroyed property for a year prior to the year in which the property was destroyed.

(5) A taxpayer receiving a reduction in taxes on personal property under this section shall notify the department if he the taxpayer replaces the destroyed personal property in the same tax year that the personal property was destroyed. The tax on the personal property replacing the destroyed personal property must be prorated according to the ratio that the number of days remaining in the year after the property was replaced bears to 365. A taxpayer who fails to notify the department within 30 days from the date of the replacement of the personal property is subject to the penalty prescribed in 15-1-303.

(6) For the purposes of this section, "natural disaster" includes but is not limited to fire, flood, earthquake, or wind. A fire is considered a natural disaster regardless of the origin of the fire. However, if the taxpayer is convicted of arson for burning the property, property taxes may not be adjusted. If they the taxes had already been adjusted prior to the conviction, the original amount must be collected."

Section 90. Section 15-17-124, MCA, is amended to read:

"15-17-124. Irregular assessment. If the county treasurer discovers, prior to the tax sale, that property on which the taxes are delinquent has been irregularly assessed, he the county treasurer may not offer the property or a property tax lien for sale. In such event, the The taxes on the property must be listed on the assessment-book property tax record as uncollected for the year in which they were due, and they must be assessed and collected during the succeeding year as taxes are regularly assessed and collected."

Section 91. Section 15-17-317, MCA, is amended to read:

"15-17-317. Municipality as purchaser. Whenever property that has been struck off to the county at a tax sale under 15-17-214, is subject to the lien of delinquent special assessments, and has not been assigned under 15-17-214 or 15-17-323, at the request of the municipality, the county treasurer shall assign all of the rights of the county acquired therein in the property at the sale to the municipality upon payment of any delinquent taxes (excluding assessments) and costs, without penalty or interest. The duplicate certificate of sale must be delivered to the treasurer of the municipality and filed by him in

~~his office, who shall file it. No~~ A charge may not be made for the duplicate certificate when the municipality is the purchaser, and ~~in such case the county treasurer shall make an entry "sold to the municipality" on the assessment-book property tax record opposite the tax, and he.~~ The county treasurer must be credited with the delinquent amount thereof in the settlement. Property sold to the municipality must be held in trust by the municipality for the improvement fund into which the delinquent special assessments are payable."

Section 92. Section 15-17-911, MCA, is amended to read:

"15-17-911. Sale of personal property for delinquent taxes — fee — disposition of proceeds — unsold property. (1) The tax on personal property may be collected and payment enforced by the seizure and sale of any personal property in the possession of the person assessed. Seizure and sale are authorized at any time after the date the taxes become delinquent or by the institution of a civil action for its collection in any court of competent jurisdiction. A resort to one method does not bar the right to resort to any other method. Any of the methods provided may be used until the full amount of the tax is collected.

(2) The provisions of ~~15-16-113~~ [section 157] and this section apply to a seizure and sale under subsection (1).

(3) A sale under subsection (1) must be at public auction.

(4) For seizing and selling personal property, the county treasurer shall charge \$25, plus the mileage allowance provided by law to the sheriff, plus reasonable expenses for seizing, handling, keeping, or caring for any property seized. The charge and other costs may be charged only when property is actually seized and offered for sale or sold.

(5) On payment of the price bid for any property sold as provided in this section, delivery of the property, with a bill of sale, vests the title of the property in the purchaser.

(6) (a) After sale of the property, the proceeds of the sale must be used first to reimburse the county for all costs and charges incurred in seizing the property and conducting the sale. Any excess, up to the total amount of the taxes owed, must be distributed proportionally to the funds that would have received the taxes if they had been paid before becoming delinquent. Any remaining excess, up to the amount of the penalty and interest owed, must then be distributed proportionally to the fund that would have received the penalty and interest if they had been paid in full.

(b) Any money collected in excess of the delinquent tax, penalties, interest, costs, and charges must be returned to the person owning the property prior to the sale, if known. If the person does not claim the excess immediately following the sale, the treasurer shall deposit the money in the county treasury for a period of 1 year from the date of sale. If the person has not claimed the excess within 1 year from the date of sale, the county treasurer shall deposit the amount in the county general fund and the person has no claim to it.

(7) Any property seized for the purpose of liquidating a delinquency by a tax sale that remains unsold following a sale may be left at the place of sale at the risk of the owner.

(8) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17.

(9) The county commission, in its discretion, may cancel any personal property taxes, including penalty, interest, costs, and charges that remain unsatisfied after the property upon which the taxes were assessed had been seized and sold. If the taxes are canceled, one copy of the order of cancellation must be filed with the county clerk and recorder and one copy with the county treasurer."

Section 93. Section 15-18-412, MCA, is amended to read:

"15-18-412. Procedure in tax deed quiet title action. (1) Upon the hearing of the order to show cause, the court has jurisdiction to determine the amount to be deposited and to make an order that the same be paid to the court within a period not exceeding 30 days after the order is made.

(2) (a) Except as provided in subsections (2)(b) and (2)(c), if the amount is not paid within the time fixed by the court, the true owner is considered to have waived any defects in the tax proceedings and any right of redemption. In the event of waiver, the true owner has no claim of any kind against the state or purchaser and a decree must be entered in the action quieting the title of the purchaser as against the true owner.

(b) The proceedings are void if the taxes were not delinquent or have been paid.

(c) A deposit is not required if the true owner is found by the court to be indigent following an examination into the matter by the court upon the request of a true owner claiming to be indigent.

(3) If payment is made to the court and the true owner is successful in the action and the tax proceedings are declared void, the amount deposited with the court must be paid to the purchaser.

(4) If the purported true owner is not successful in the action and the title of the purchaser is sustained, the money must be returned to the purported true owner.

(5) In any action brought by a purchaser to quiet title, several tracts of land, whether contiguous or noncontiguous or owned by different defendants, may be set forth in one complaint. All persons claiming any title to, interest in, or lien upon any of the premises or any part thereof of the premises may be joined as defendants, even though their claims are independent, are not in common, and do not cover the same tracts. The procedure in ~~such an~~ the action must follow, as nearly as practicable, the procedure specified in 70-28-101 through 70-28-109.

(6) In the final judgment, the court shall also determine the rights resulting from any additional taxes on the property accruing or being paid by either party during the pendency of the suit.

(7) In the quiet title action, the court has complete jurisdiction to fix the amount of taxes that should have been paid, including penalties, interest, and costs, and to determine all questions necessary in granting full relief, including the power to order ~~any assessor the department or any other~~ tax officer to make and certify to the court a corrected or new assessment or to do any other act necessary to enable the court to do complete justice. Errors may be reviewed on appeal from the final judgment."

Section 94. Section 15-23-104, MCA, is amended to read:

"15-23-104. Failure to file — estimate by department — penalty. (1) If any person fails to file a report or return within the time established in 15-23-103 or by ~~such a~~ later date ~~approved by as the department may approve,~~ the department shall estimate the value of the property ~~to that should have been~~ reported on the basis of the best available information. In estimating the value of the net proceeds of mines, the department shall proceed under 15-23-506, and in estimating the value of the gross proceeds of coal mines, the department shall proceed under 15-35-107. In estimating the value of all other property subject to assessment under parts 2 through 4 of this chapter, the department shall proceed under 15-1-303. In estimating value under this section, the department may subpoena a person or ~~his the person's~~ agent as specified in 15-1-302. An assessment pursuant to parts 5 through 8 of this chapter based on estimated value or imputed value is subject to review under 15-1-211. ~~Each~~ For each month or part of a month ~~that a report is delinquent,~~ the department shall impose and collect a \$25 penalty, ~~with the total not to exceed \$200, and shall deposit such~~ the penalty to the credit of the general fund. The department ~~will also inform its agents in the counties of the delinquency, and, except as provided in subsection (2), the agents shall assess a penalty of 1% of the tax due for each month or part of a month that the report is delinquent. The department shall notify the county treasurer of each affected county of the amount of the penalty, and the treasurer shall collect the penalty in the same manner as the taxes to which the penalty applies.~~

(2) For a delinquency in reporting under 15-23-212, the department shall assess a penalty of 1% of the tax due for each month or part of a month that the report is delinquent."

Section 95. Section 15-23-106, MCA, is amended to read:

"15-23-106. Transmission Report to the counties. (1) On or before July 1, the department shall ~~transmit to its agent in~~ prepare for each county a statement listing:

(a) the assessed value of railroad property, as determined under 15-23-202, apportioned to the county, including the length or other description of the property;

(b) the assessed value of utility property, as determined under 15-23-303, apportioned to the county, including the length or other description of the property;

(c) the assessed value of property of airline companies, as determined under 15-23-403, apportioned to the county; 90% of the value of the property of airline companies apportioned to any county by reason of a state airport being located in the county must be stated separately from the remaining assessed value of the property of airline companies apportioned to the county;

(d) the assessed value of the net proceeds and royalties from mines and oil and gas wells in the county, as determined under 15-23-503, 15-23-505, 15-23-515, 15-23-516, 15-23-517, 15-23-603, and 15-23-605; and

(e) the assessed value of the gross proceeds from coal mines, as described in 15-23-701.

(2) The ~~agent of the department~~ shall enter the ~~reported~~ assessed values transmitted in the assessment book in a manner ~~prescribed by the department~~ property tax record for the county."

Section 96. Section 15-23-107, MCA, is amended to read:

"15-23-107. Amended assessment — ~~transmission to counties.~~ Whenever the valuation of centrally assessed property is revised under 15-8-601 or 15-23-102(2), the department shall, within 15 days following the final decision or order, ~~transmit a statement of the revised assessment to its agent or the county officer then having custody of the assessment book in the~~ enter the revision in the property tax record for each applicable county where the property is located. The revision shall be immediately entered in the assessment book."

Section 97. Section 15-23-115, MCA, is amended to read:

"15-23-115. Interest. If the department determines that a taxpayer has incorrectly reported a value under 15-23-502, 15-23-515, 15-23-516, 15-23-517, 15-23-602, 15-23-701, or 15-23-802, ~~the department shall inform its agents at the county level of the determination,~~ and if ~~any an~~ additional tax is due, there must be added to the tax until paid in full interest at the rate of 1% a month or fraction of a month from the date the original tax was due and payable. A taxpayer subject to imposition of interest pursuant to this section is not subject to the penalty and interest provisions contained in 15-16-102."

Section 98. Section 15-23-507, MCA, is amended to read:

"15-23-507. Taxation and payment on royalty interests. At the time of ~~transmitting computing~~ net proceeds assessments, the department ~~of revenue~~ shall also ~~determine~~ the royalty lists or schedules to the county ~~assessor of~~ for each county in which ~~such the~~ mines and mining claims are located. ~~Thereupon the county assessor~~ The department shall prepare from ~~such the~~ net proceeds and royalty assessments a tax roll ~~which shall that must be by him~~ furnished to the county treasurer on or before the following September 15 following, ~~as specified in this section.~~ Said ~~Upon~~ furnishing the tax roll, the taxes ~~shall be~~ are due and payable. Assessments of royalty on production of metals and minerals other than petroleum and natural gas ~~shall must be~~ entered by the ~~county assessor department~~ in the personal property assessment book tax record in the name of the recipient or owner of ~~such the~~ royalty. The county treasurer shall ~~proceed to give full notice thereof of the assessment to such the~~ recipient or royalty owner and ~~to shall~~ collect the taxes ~~thereon~~ in the same

manner as taxes on net proceeds of mines. Taxes on ~~such the~~ royalty assessments and taxes on net proceeds of mines ~~shall be~~ are payable at the times specified in 15-16-102, and any delinquencies in the payment of ~~same shall be~~ are subject to the interest and penalties provided in 15-16-102."

Section 99. Section 15-23-607, MCA, is amended to read:

"15-23-607. County assessors Department to compute taxes. (1) Immediately after the board of county commissioners has fixed tax levies on the second Monday in August, the ~~county assessor department~~ shall, subject to the provisions of 15-23-612, compute the taxes on net proceeds, as provided in subsection (2) of this section, and royalty assessments and shall ~~deliver the book~~ transmit the computed taxes to the county treasurer on or before September 15. The county treasurer shall proceed to give full notice of the assessments to the operator and shall collect the taxes as provided by law.

(2) For new production, as defined in 15-23-601, the ~~county assessor department~~ may not levy or assess any mills against the value of the new production, but shall instead levy a tax as follows:

(a) for new production of petroleum or other mineral or crude oil, 7% of net proceeds, as described in 15-23-603(2); or

(b) for new production of natural gas, 12% of net proceeds, as described in 15-23-603(2).

(3) The amount of tax levied in subsections (2)(a) and (2)(b), divided by the appropriate tax rate and multiplied by 60%, must be treated as taxable value for county bonding purposes.

(4) The operator or producer is liable for the payment of the taxes that, except as provided in 15-16-121, are payable by and must be collected from the operators in the same manner and under the same penalties as provided for the collection of taxes upon net proceeds of mines. However, the operator may ~~at his~~ option withhold from the proceeds of royalty interest, either in kind or in money, an estimated amount of the tax to be paid by ~~him~~ the operator upon the royalty or royalty interest. After the withholding, any deviation between the estimated tax and the actual tax may be accounted for by adjusting subsequent withholdings from the proceeds of royalty interests."

Section 100. Section 15-23-702, MCA, is amended to read:

"15-23-702. Transmission Entry of gross proceeds to county assessor in property tax record. On or before July 1 each year, the department shall ~~transmit to the county assessor of each county in which coal mines are situated~~ enter the valuation of the gross proceeds of ~~such coal mines for the purpose of taxation, as the same have been determined by the department in the property tax record for each county in which the mines are located. The county assessor shall immediately enter the same upon a suitable assessment roll, the form of which shall be prescribed by the department.~~

Section 101. Section 15-23-703, MCA, is amended to read:

"15-23-703. Taxation of gross proceeds — taxable value for bonding and guaranteed tax base aid to schools. (1) The ~~county assessor~~

~~department~~ shall compute from the reported gross proceeds from coal a tax roll that ~~he shall transmit must be transmitted~~ to the county treasurer on or before September 15 each year. The ~~county assessor department~~ may not levy or assess any mills against the reported gross proceeds of coal but shall levy a tax of 5% against the value of the reported gross proceeds as provided in 15-23-701(1)(d). The county treasurer shall proceed to give full notice to each coal producer of the taxes due and to collect the taxes as provided in 15-16-101.

(2) For bonding, county classification, and all nontax purposes, the taxable value of the gross proceeds of coal is 45% of the contract sales price as defined in 15-35-102(5).

(3) Except as provided in subsection (6), the county treasurer shall calculate and distribute to the state, county, and eligible school districts in the county the amount of the coal gross proceeds tax, determined by multiplying the unit value calculated in 15-23-705 times the tons of coal extracted, treated, and sold on which the coal gross proceeds tax was owed during the preceding calendar year.

(4) Except as provided in subsections (5), (6), and (8), the county treasurer shall credit the amount determined under subsection (3) and the amounts received under 15-23-706:

(a) to the state and to the counties that levied mills in fiscal year 1990 against 1988 production in the relative proportions required by the levies for state and county purposes in the same manner as property taxes were distributed in fiscal year 1990 in the taxing jurisdiction; and

(b) to school districts in the county that either levied mills in school fiscal year 1990 against 1988 production or used nontax revenue, such as Public Law 81-874 money, in lieu of levying mills against production, in the same manner that property taxes collected or property taxes that would have been collected would have been distributed in the 1990 school fiscal year in the school district.

(5) (a) If the total tax liability in a taxing jurisdiction exceeds the amount determined in subsection (3), the county treasurer shall, immediately following the distribution from taxes paid on May 31 of each year, send the excess revenue, excluding any protested coal gross proceeds tax revenues ~~revenue~~, to the department for redistribution as provided in 15-23-706.

(b) If the total tax liability in a taxing jurisdiction is less than the amount determined in subsection (3), the taxing jurisdiction is entitled to a redistribution as provided by 15-23-706.

(6) The board of county commissioners of a county may direct the county treasurer to reallocate the distribution of coal gross proceeds taxes that would have gone to a taxing unit, as provided in subsection (4)(a), to another taxing unit or taxing units, other than an elementary school or high school, within the county under the following conditions:

(a) The county treasurer shall first allocate the coal gross proceeds taxes to the taxing units within the county in the same proportion that all other property tax proceeds were distributed in the county in fiscal year 1990.

(b) If the allocation in subsection (6)(a) exceeds the total budget for a taxing unit, the commissioners may direct the county treasurer to allocate the excess to any taxing unit within the county.

(7) The board of trustees of an elementary or high school district may reallocate the coal gross proceeds taxes distributed to the district by the county treasurer under the following conditions:

(a) The district shall first allocate the coal gross proceeds taxes to the budgeted funds of the district in the same proportion that all other property tax proceeds were distributed in the district in fiscal year 1990.

(b) If the allocation under subsection (7)(a) exceeds the total budget for a fund, the trustees may allocate the excess to any budgeted fund of the school district.

(8) The county treasurer shall credit all taxes collected under this part from coal mines that began production after December 31, 1988, in the relative proportions required by the levies for state, county, and school district purposes in the same manner as property taxes were distributed in the previous fiscal year."

Section 102. Section 15-23-704, MCA, is amended to read:

"15-23-704. Lien of tax — enforcement of payment. The tax on gross proceeds from coal ~~shall~~ *must* be levied as taxes on other forms of property, and this tax and the severance tax on coal production are each a lien upon the coal mine and a prior lien upon all personal property and improvements used to produce the coal. These taxes may be collected by the seizure and sale of the personal property on which the tax is a lien as provided under ~~15-16-113~~ *section 157* and 15-17-911."

Section 103. Section 15-23-803, MCA, is amended to read:

"15-23-803. Valuation — gross proceeds. On or before July 1 each year, the department shall determine the merchantable value of all metal production from the previous calendar year. The department shall ~~transmit to its agent in each county where metals are produced~~ *record* the merchantable value ~~as has been determined by the department for placement on the assessment roll in the property tax record after subtracting such the portion of the proceeds as may be exempt from property taxation.~~

Section 104. Section 15-23-804, MCA, is amended to read:

"15-23-804. Taxation of merchantable value. The ~~department's agent~~ *department* shall prepare from the reported valuation a tax roll ~~which shall that must~~ be transmitted to the county treasurer on or before September 15 each year. The county treasurer shall proceed to give full notice ~~thereof~~ to each metal producer and to collect the taxes due at the times provided for in 15-16-102, and any delinquencies in the payment of ~~same shall be the taxes~~ are subject to the interest and penalties provided for in 15-16-102."

Section 105. Section 15-24-104, MCA, is amended to read:

"15-24-104. Situs in state of proportionally registered fleets — collection of taxes and fees. (1) For the purposes of this part, any vehicle previously registered or ~~which that~~ has had application for registration made under the provisions of 61-3-711 through 61-3-733 ~~is hereby declared to have~~ has a situs in the state for the purposes of taxation.

(2) The department or its designated agent shall collect the personal property taxes; or license fees, or both, prescribed in this part."

Section 106. Section 15-24-302, MCA, is amended to read:

"15-24-302. Collection procedure. All property mentioned in 15-24-301 is assessed at the same value as property of like kind and character, and the assessment, levy, and collection of the tax are governed by the provisions of 15-8-408, ~~15-16-111 through~~ *section 157*, 15-16-115, 15-16-404, 15-17-911, and 15-24-202, as amended, except:

(1) taxation of motor vehicles under 15-24-301(4) to the extent that subsection varies from the general provisions cited ~~above in this section~~; and

(2) livestock taxation governed by 81-7-104 and Title 81, chapter 7, part 2."

Section 107. Section 15-24-801, MCA, is amended to read:

"15-24-801. Savings and loan associations — taxation. Every savings and loan association subject to regulation under Title 32, chapter 2, ~~shall~~ *must* be assessed for and pay taxes upon all real and personal property owned by the association. The secretary of an association shall furnish to the department of revenue ~~or its agent in the county in which the principal office of the association is located~~, within 5 days after demand, a condensed statement, verified by his oath, of the resources and liabilities of the association as disclosed by its books at noon on January 1 in each year. If the secretary fails to make the statement ~~hereby required~~, the department ~~or its agent~~ shall immediately obtain the information from any other available source, and for this purpose it shall have access to the books of the association. The department ~~or its agent~~ shall ~~thereupon~~ make an assessment of the real estate and personal property owned by the association, ~~which assessment shall be in a manner that is~~ as fair and equitable as it may be able to make from the best information available, or the ~~assessor department~~ may, for the purpose of the assessment, adopt the figures disclosed by any prior report made by the association to any state or federal officer under a state or federal law. A person required by this section to make the statement provided for in this section who fails to furnish it is guilty of a misdemeanor."

Section 108. Section 15-24-901, MCA, is amended to read:

"15-24-901. Definition. As used in this part, "livestock" includes those animals ~~specified in defined as livestock in 15-1-101(4)(i).~~

Section 109. Section 15-24-902, MCA, is amended to read:

"15-24-902. Assessment of livestock. The department ~~of revenue or its agent~~ shall assess all nonexempt livestock in each county where they are located on ~~March~~ *February* 1 of each year. The livestock must be assessed to the person

by whom they were owned or claimed or in whose possession or control they were at midnight of *March February* 1 in that year."

Section 110. Section 15-24-903, MCA, is amended to read:

"15-24-903. Duty of owner to assist in assessment. (1) The owner of livestock, as defined in 15-24-901, or ~~his the owner's agent, shall~~ at the time of assessment ~~shall make and deliver to the department of revenue or its agent in~~ for the county or counties where ~~his the owner's~~ livestock were located on *March February* 1; a written statement, under oath, ~~showing the listing the owner's~~ different kinds of ~~his~~ livestock within the county or counties ~~belonging to him or under his charge, together with a listing of their marks and brands.~~

(2) As used in this section, "agent" means any person, persons, company, or corporation, including a feedlot operator or owner of grazing land, who has charge of livestock on the assessment date."

Section 111. Section 15-24-904, MCA, is amended to read:

"15-24-904. Penalty for violation of law. If any person, persons, company, or corporation who is the owner or ~~has is~~ in charge of any livestock within this state fails to make the statement or statements as provided in 15-24-903, the ~~county assessor department~~ may, after 10 days' notice to the person who failed to file the report, increase the assessment by 10% as a penalty."

Section 112. Section 15-24-905, MCA, is amended to read:

"15-24-905. Livestock brought into state — notice to department of revenue or its agent. The owner or the agent, manager, or ~~foreman supervisor~~ of any person, corporation, or association bringing livestock into this state after *March February* 1 shall immediately after ~~said the~~ livestock cross the state line forward to the department of ~~revenue or its agent in the county into~~ which the livestock are moved a registered or certified letter, which letter shall ~~contain~~ containing the name of the owner of ~~such the~~ livestock, the number ~~thereof of~~ livestock, the brand ~~thereon on the~~ livestock, and the ages of the ~~same~~ livestock, ~~together with the time and place at which said the~~ livestock were brought across the state line, ~~and the county or counties into which the livestock are moved.~~ ~~provided that the~~ The department of livestock shall at least once each month furnish from its own records to the department of ~~revenue or its agent in the county into which such livestock are moved~~ a list of the number and kind of livestock ~~so moved into each county, together with the name of the owner thereof of the livestock."~~

Section 113. Section 15-24-906, MCA, is amended to read:

"15-24-906. Collection of tax on livestock. The department of ~~revenue or its agent~~, upon receipt of ~~such the~~ letter provided for in 15-24-905 or other information that livestock has been brought into ~~his a~~ county from outside of the state after *January February* 1 in any year, shall immediately proceed under the provisions of this part."

Section 114. Section 15-24-920, MCA, is amended to read:

"15-24-920. Election for proration of tax on livestock — refunds — additional assessment. (1) An owner of livestock who moves the livestock interstate may elect to have the nonexempt livestock taxed on a prorated basis.

(2) The owner shall file an election with the ~~county assessor department:~~

(a) on the statement required in 15-24-903; ~~or~~

(b) ~~if the livestock have taxable situs in the state before March 1, on a form prescribed by the department.~~ The statement must indicate the number of months the owner's livestock will be in the state.

(3) If a livestock owner elects to be taxed on a prorated basis, the tax on livestock that are moved interstate must be prorated according to the ratio of the number of months the livestock have taxable situs in the county to the total number of months in the taxable year. Livestock must be prorated as provided in this section regardless of when the livestock gain taxable situs in the county during the taxable year.

(4) Subject to the provisions of 15-16-603 through 15-16-605, a taxpayer whose nonexempt livestock are assessed under subsection (3) for a period longer than the actual number of months that the livestock have taxable situs in the state is entitled to a refund. The amount of the refund is equal to the difference between the original prorated amount paid and the subsequent amount owed after the actual number of tax situs months are determined at the end of the tax year. A taxpayer shall apply for a refund allowed under this subsection by January 31 following the year of assessment. The application must include a statement showing the date when the livestock were moved out of the state.

(5) A taxpayer whose nonexempt livestock are assessed under subsection (3) for a period shorter than the actual number of months that the livestock have taxable situs is subject to additional taxes for the number of additional months that the livestock has taxable situs in the state."

Section 115. Section 15-24-921, MCA, is amended to read:

"15-24-921. Per capita tax levy to pay expenses of enforcing livestock laws. (1) In addition to appropriations made for ~~such those~~ purposes, a per capita tax is authorized and directed to be levied by the ~~county assessor department~~ on all poultry and bees, all swine 3 months of age or older, and all other livestock 9 months of age or older in each county of this state for the purpose of aiding in the payment of the salaries and all expenses connected with the enforcement of the livestock laws of the state and for the payment of bounties on wild animals as ~~hereinafter specified provided in 81-7-104.~~

(2) As used in this section, "livestock" means cattle, sheep, swine, poultry, bees, goats, horses, mules, asses, llamas, alpacas, domestic bison, and domestic ungulates."

Section 116. Section 15-24-1402, MCA, is amended to read:

"15-24-1402. New or expanding industry — assessment — notification. (1) In the first 5 years after a construction permit is issued, qualifying improvements or modernized processes that represent new industry or expansion of an existing industry, as designated in the approving resolution,

must be taxed at 50% of their taxable value. Each year thereafter, the percentage must be increased by equal percentages until the full taxable value is attained in the 10th year. In subsequent years, the property must be taxed at 100% of its taxable value.

(2) (a) In order for a taxpayer to receive the tax benefits described in subsection (1), the governing body of the affected county or the incorporated city or town must have approved by separate resolution for each project, following due notice as defined in 76-15-103 and a public hearing, the use of the schedule provided for in subsection (1) for its respective jurisdiction. The governing body may not grant approval for the project until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval.

(b) The governing body may end the tax benefits by majority vote at any time, but the tax benefits may not be denied an industrial facility that previously qualified for the benefits.

(c) The resolution provided for in subsection (2)(a) must include a definition of the improvements or modernized processes that qualify for the tax treatment that is to be allowed in the taxing jurisdiction. The resolution may provide that real property other than land, personal property, improvements, or any combination thereof is eligible for the tax benefits described in subsection (1).

(3) The taxpayer shall apply to the ~~county assessor on a form provided by the department of revenue~~ for the tax treatment allowed under subsection (1). The application by the taxpayer must first be approved by the governing body of the appropriate local taxing jurisdiction, and the governing body shall indicate in its approval that the property of the applicant qualifies for the tax treatment provided for in this section. Upon receipt of the form with the approval of the governing body of the affected taxing jurisdiction, the ~~assessor department~~ shall make the assessment change pursuant to this section.

(4) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for local high school district and elementary school district purposes and to the number of mills levied and assessed by the governing body approving the benefit over which the governing body has sole discretion. ~~In no case may the~~ The benefit described in subsection (1) ~~may not~~ apply to levies or assessments required under Title 15, chapter 10, 20-9-331, 20-9-333, or 20-9-360, or otherwise required under state law.

(5) Prior to approving the resolution under this section, the governing body shall notify by certified mail all taxing jurisdictions affected by the tax benefit."

Section 117. Section 15-24-1501, MCA, is amended to read:

"15-24-1501. Remodeling, reconstruction, or expansion of buildings or structures — assessment provisions — levy limitations. (1) Subject to the authority contained in subsection (4), remodeling, reconstruction, or expansion of existing buildings or structures, which increases their taxable value by at least 2 ½% as determined by the department of revenue or its agents, may receive tax benefits during the construction period and for the following 5 years in accordance with subsections (2) through (4) and the following schedule. The percentages shall *must* be applied as provided in subsections (3) and (4) and

are limited to the increase in taxable value caused by remodeling, reconstruction, or expansion:

Construction period	0%
First year following construction	20%
Second year following construction	40%
Third year following construction	60%
Fourth year following construction	80%
Fifth year following construction	100%
Following years	100%

(2) In order to confer the tax benefits described in subsection (1), the governing body of the affected county or, if the construction will occur within an incorporated city or town, the governing body of the incorporated city or town must approve by resolution for each remodeling, reconstruction, or expansion project the use of the schedule provided for in subsection (1) or a schedule adopted pursuant to subsection (4).

(3) The tax benefit described in subsection (1) applies only to the number of mills levied and assessed for high school district and elementary school district purposes and to the number of mills levied and assessed by the local governing body approving the benefit. ~~In no case may the~~ The benefit described in subsection (1) ~~may not~~ apply to statewide levies.

(4) A local government may, in the resolution required by subsection (2), modify the percentages contained in subsection (1) that apply to the first year following construction through the fourth year following construction. A local government may not modify the percentages contained in subsection (1) that apply to the fifth year following construction or years following the fifth year. A local government may not modify the time limits contained in subsection (1). The modifications to the percentages in subsection (1) adopted by a local government apply uniformly to each remodeling, reconstruction, or expansion project approved by the governing body."

Section 118. Section 15-24-1802, MCA, is amended to read:

"15-24-1802. Business incubator tax exemption — procedure. (1) A business incubator owned or leased and operated by a local economic development organization is eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the county, consolidated government, incorporated city or town, or school district in which the property is located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). If a tax exemption is approved, the governing body shall do so by a separate resolution for each business incubator in its respective jurisdiction. The governing body may not grant approval for the business incubator until all of the applicant's taxes have been paid in full or, if the property is leased to a business incubator, until all of the owner's property taxes on that property have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that the local economic development organization:

(a) is a private nonprofit corporation as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(b) is engaged in economic development and business assistance work in the area; and

(c) owns or leases and operates or will operate the business incubator.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the *assessor department* shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies and assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 or otherwise required under state law."

Section 119. Section 15-24-1902, MCA, is amended to read:

"15-24-1902. Industrial park tax exemption — procedure — termination. (1) An industrial park owned and operated by a local economic development organization or a port authority is eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the county, consolidated government, incorporated city or town, or school district in which the property is located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). If a tax exemption is approved, the governing body shall do so by a separate resolution for each industrial park in its respective jurisdiction. The governing body may not grant approval for the industrial park until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that:

(a) the local economic development organization:

(i) is a private, nonprofit corporation as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(ii) is engaged in economic development and business assistance work in the area; and

(iii) owns and operates or will own and operate the industrial development park; or

(b) the port authority legally exists under the provisions of 7-14-1101 or 7-14-1102.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the *assessor department* shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county, consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies or assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 or otherwise required under state law.

(5) If a local economic development organization sells, leases, or otherwise disposes of the exempt property to a purchaser or lessee that is not a local economic development organization or a unit of federal, state, or local government, the tax exemption provided in this section terminates. The termination of the exemption applies January 1 of the taxable year immediately following the sale, lease, or other disposition of the property. Upon termination of the exemption, the property must be assessed as provided in 15-16-203."

Section 120. Section 15-24-2002, MCA, is amended to read:

"15-24-2002. Building and land tax exemption — procedure — termination. (1) A building and land owned by a local economic development organization that the local economic development organization intends to sell or lease to a profit-oriented, employment-stimulating business are eligible for an exemption from property taxes as provided in this section.

(2) In order to qualify for the tax exemption described in this section, the governing body of the affected county, consolidated government, incorporated city or town, or school district in which the building and land are located shall approve the tax exemption by resolution, after due notice, as defined in 76-15-103, and hearing. The governing body may approve or disapprove the tax exemption provided for in subsection (1). The governing body shall approve a tax exemption by a separate resolution. The governing body may not grant approval for the building and land until all of the applicant's taxes have been paid in full. Taxes paid under protest do not preclude approval. Prior to holding the hearing, the governing body shall determine that the local economic development organization:

(a) is a private, nonprofit corporation, as provided in Title 35, chapter 2, and is exempt from taxation under section 501(c)(3) or 501(c)(6) of the Internal Revenue Code;

(b) is engaged in economic development and business assistance work in the area; and

(c) owns or will own the building and land.

(3) Upon receipt of approval of the governing body of the affected taxing jurisdiction, the *assessor department* shall make the assessment change for the tax exemption provided for in this section.

(4) The tax exemption described in subsection (1) applies only to the number of mills levied and assessed by the governing body approving the exemption over which the governing body has sole discretion. If the governing body of a county,

consolidated government, or incorporated city or town approves the exemption, the exemption applies to levies or assessments required under Title 15, chapter 10, 20-9-331, or 20-9-333 and other levies required under state law.

(5) When a local economic development organization sells, leases, or otherwise disposes of the exempt property to a purchaser or lessee that is not a local economic development organization or a unit of federal, state, or local government, the tax exemption provided in this section terminates. The termination of the exemption applies January 1 of the taxable year immediately following the sale, lease, or other disposition of the property. Upon termination of the exemption, the property must be assessed as provided in 15-16-203."

Section 121. Section 15-24-2302, MCA, is amended to read:

"15-24-2302. Clean coal technology tax exemption — procedure — termination. (1) The buildings, facilities, or equipment installed under a clean coal technology project is eligible for an exemption from property taxes as provided in this section. A project must be designated as a clean coal technology project by the department under criteria contained in 90-4-905.

(2) In order to qualify for the tax exemption described in this section, the legislature must have approved the project and the governing body of each affected local government must have approved the tax exemption by resolution, after notice and hearing. The governing body of each affected local government must be notified in writing of the buildings, facilities, and equipment proposed to be exempt from taxation and the value of the buildings, facilities, and equipment. A tax exemption may not be granted under this section unless it is approved by every local government that would be affected by the project.

(3) If the governing body of each affected local government approves a resolution granting the tax exemption for a clean coal technology project, the buildings, facilities, or equipment installed under the project is exempt from the specified percentage of state and local property taxes as approved by the governing bodies. The percentage amount may be any amount up to 100%, but it must be the same for all state and local property taxes.

(4) Funds made available to a clean coal technology project as a result of the tax exemption under this section must be used for project development, construction, or operation or for payment of debt service on instruments used to fund project development, construction, or operation.

(5) The department shall, in writing, notify the ~~department of revenue's agent in the county or counties in which the project is located of the date the final approval for the tax exemption of the property was granted under this section and shall specifically identify each piece of real or personal property subject to the tax exemption. A tax exemption granted under this section is effective for the life of the project or 25 years, whichever occurs first. The tax exemption begins on January 1 of the year after the department of revenue receives gives notification of the final approval under this section. The department shall, in writing, notify the department of revenue's agent in the county or counties in which the project is located when the exemption has expired. The termination of the exemption applies on January 1 of the taxable year following the expiration of the exemption.~~

Section 122. Section 15-36-104, MCA, is amended to read:

"15-36-104. Record of product — carriers to furnish data. Every ~~such~~ Each person subject to 15-36-102 shall keep a record in ~~such the form as that the department of revenue may require~~ requires of all petroleum and other mineral or crude oil or natural gas extracted or produced by ~~such the person in this state, and such the records shall must~~ at all times during the business hours of the day be subject to inspection by the department ~~or its agents or employees. It shall be the duty of railroad~~ Railroad, pipeline, and transportation companies carrying petroleum and other crude or mineral oil or natural gas ~~to shall~~ furnish to the department, whenever requested to do so, all data relative to the shipment of ~~such those~~ products that may be required to properly enforce the provisions of this part. The failure of any railroad, pipeline, or transportation company to comply with the provisions of this section ~~shall make such subjects the company liable to a penalty of \$100 for each day it fails to furnish such the statement.~~

Section 123. Section 15-37-203, MCA, is amended to read:

"15-37-203. Records. Every ~~such~~ Each person subject to 15-37-201 shall keep a record in ~~such the form required as by the department of revenue may require of all such products mined or produced by him the person in this state. Such~~ The records shall ~~must~~ at all times during the business hours of the day be subject to inspection by the department, ~~its agents or employees.~~

Section 124. Section 15-51-104, MCA, is amended to read:

"15-51-104. Inspection of books of producer. The books and records of ~~such an electrical energy producer shall must~~ be subject to inspection by the department of revenue, ~~its agents or employees, during reasonable hours.~~

Section 125. Section 15-59-104, MCA, is amended to read:

"15-59-104. Manufacturers to keep records. Every ~~such~~ Each person subject to 15-59-102 shall keep a record in ~~such the form as required by the department of revenue may require of all cement, gypsum, gypsum plaster, stucco, wallboard, land plaster, or other products of cement or gypsum manufactured or produced by such the person in this state. Such~~ The records shall ~~must~~ at all times during the business hours of the day be subject to inspection by the department, ~~its agents or employees.~~

Section 126. Section 15-59-203, MCA, is amended to read:

"15-59-203. Record of cement received. (1) Each ~~and every person engaging in or carrying on such occupation in this state subject to 15-59-201~~ shall keep a record showing all cement, cement plaster, gypsum plaster, and other byproducts of cement:

(a) purchased or received by or delivered to ~~such the person for sale by such the person at retail in this state for the manufacturing or production of which cement, cement plaster, gypsum plaster, or other byproducts of cement no person has paid or assumed liability those items; and~~

(b) ~~for the payment of any which the license tax to the state of Montana under any law of this state has not been paid, which~~

(2) *The record shall must show the date of each purchase or delivery, the number of barrels or tons contained therein, and the name of the person from whom the same was items were purchased or received, which The records shall must at all times during the business hours of the day be subject to inspection by the department of revenue, its agents or employees.*

Section 127. Section 19-3-908, MCA, is amended to read:

"19-3-908. Retirement incentive program — window of eligibility.

(1) Except as provided in subsection (4), a person who is an active member on February 1, 1993, and who voluntarily terminates service or whose service is involuntarily terminated because of a reduction in force on or after June 25, 1993, but before January 1, 1994, and who is eligible for a normal service retirement under 19-3-901 or early retirement under 19-3-902 is entitled to the retirement incentive provided in subsection (2).

(2) (a) The employer of an eligible member under subsection (1) shall pay the total cost of purchasing up to 3 years of additional service that the member is qualified to purchase under 19-3-513.

(b) *The department of revenue shall pay the cost of purchasing up to 3 years of additional service for qualifying county assessors and deputy assessors eligible under subsection (1) whose employing county has not elected for participation in the incentive program as provided in subsection (4).*

(c) A member is entitled to a refund for that portion of previously purchased additional service that would otherwise cause the member to be unqualified to receive all or part of the additional service provided in this section.

(3) An active member who is involuntarily terminated because of a reduction in force on or after March 1, 1993, but before June 25, 1993, and who, if the member had not been terminated, would have been eligible under subsection (1) for the retirement incentive is entitled to the retirement incentive under subsection (2) if the member was, at the time of termination, eligible for normal service retirement under 19-3-901 or early retirement under 19-3-902 and retires on or after June 25, 1993.

(4) *A Subject to subsection (2)(b), a contracting employer's participation in the incentive program described in this section is optional. A contracting employer may elect to provide the incentive by filing with the board a written notice of election on or before June 1, 1993, and complying with rules adopted pursuant to subsection (5) (6).*

(5) *County assessors and deputy assessors are eligible for the incentive program even if the employing county has not elected to participate in the incentive program.*

(5)(6) The board may allow an employer to pay the contributions required under subsection (2)(a) in installments for up to 10 years and may charge interest at a rate set by the board pursuant to 19-2-403. The board shall adopt rules to implement the provisions of this section.

(6)(7) A member who has received additional service under this section and who returns to employment for the same jurisdiction for 600 or more hours in a calendar year shall forfeit the additional service. The employer's contributions

to purchase that member's additional service, minus any retirement benefits already paid, must be refunded to the employer. For purposes of this subsection, all agencies of the state, including the university system, are considered the same jurisdiction and other public employers contracting with the retirement system are each considered separate jurisdictions."

Section 128. Section 20-9-122, MCA, is amended to read:

"20-9-122. Statement of district, city, and town valuations. (1) By the second Monday of July, the department of revenue ~~or its agent in each county shall, at the time of delivering the completed assessment book to the county clerk under the provisions of 15-8-705, also deliver to the county superintendent and to each city or town clerk a statement showing separately for each district and each city or town in his the county the total assessed value and the total taxable value of all property in such the districts, cities, or towns, as these valuations appear in such completed assessment book the property tax record.~~

(2) ~~The county clerk shall, after the second Monday in August and before or at the time of delivering the assessment book to the department of revenue or its agent under the provisions of 15-10-306, prepare a statement showing separately for each district and each city or town in his county the total assessed value and the total taxable value of all property in such districts, cities, or towns, as these valuations appear in the assessment book after amendments, corrections, and additions made by the state and county tax appeal boards and entered on the assessment book. The county clerk shall immediately deliver a copy of his statement of assessed and taxable values for districts to the county superintendent and a copy of those portions of such statement for each city and town to the appropriate city or town clerk.~~

(3)(2) In the case of a joint school district, the department of revenue ~~or its agent and the county clerk shall, at the time of delivering their respective statements the statement to the county superintendent, send a statement of the assessed value and taxable value of the portion of the joint school district situated in their the appropriate county to the county superintendents and to the county commissioners of each county in which a part of the joint school district is situated.~~

Section 129. Section 50-61-112, MCA, is amended to read:

"50-61-112. Prior approval required for construction or alteration of educational and institutional occupancies. (1) Within an incorporated municipality, an educational or institutional occupancy, whether public or private, may not be constructed or have alterations made costing \$1,500 or more until sketches or architectural plans for the construction or alteration, whichever are available, are submitted to and approved by the state fire prevention and investigation program of the department of justice.

(2) Outside an incorporated municipality, an assembly, educational, or institutional occupancy may not be constructed or have alterations made costing \$1,500 or more until a permit has been issued for the construction or alteration by the county commissioners. A fee of \$10 shall *must* be paid to the county treasurer for each permit. A copy of the permit ~~shall must~~ be furnished to the ~~county assessor department of revenue.~~ No A permit may not be issued until sketches or architectural plans for the construction or alteration, whichever are

available, are submitted to and approved by the state fire prevention and investigation program of the department of justice. The state fire prevention and investigation program of the department of justice and county sheriffs are responsible for enforcing the provisions of this subsection."

Section 130. Section 61-3-207, MCA, is amended to read:

"61-3-207. Mobile home or housetrailer — transfer of interest. (1) Upon a transfer of any interest in a mobile home or housetrailer under the provisions of this chapter, the application for the transfer ~~shall~~ *must* be made through the county treasurer's office in the county in which the mobile home or housetrailer is located at the time of the transfer.

(2) When a mobile home or housetrailer is sold under contract or under such conditions that title is not immediately conveyed, the parties to the transaction shall immediately file with the county clerk and recorder a notice of intention to transfer title. The notice must indicate the name of the party who is ~~thereafter~~ responsible for payment of taxes upon the mobile home or housetrailer *after the transfer*. The clerk and recorder shall immediately notify the ~~county assessor~~ *department of revenue* of the information in the notice. The penalty provisions of 61-3-201(2) do not apply if the notice of intent to transfer is filed with the county clerk and recorder within 20 days after the transfer."

Section 131. Section 61-3-303, MCA, is amended to read:

"61-3-303. Application for registration. (1) Every owner of a motor vehicle operated or driven upon the public highways of this state shall for each motor vehicle owned, except as ~~herein~~ otherwise expressly provided in this section, file or cause to be filed in the office of the county treasurer where the owner ~~makes his permanent residence~~ *permanently resides* at the time of making the application or, if the vehicle is owned by a corporation or used primarily for commercial purposes, in the taxing jurisdiction of the county where the vehicle is permanently assigned, an application for registration or reregistration upon a blank form to be prepared and furnished by the department. The application ~~shall~~ *must* contain:

(a) name and address of owner, giving county, school district, and town or city within whose corporate limits the motor vehicle is taxable, if taxable, or within whose corporate limits the owner's residence is located if the motor vehicle is not taxable;

(b) name and address of the holder of any security interest in the motor vehicle;

(c) description of motor vehicle, including make, year model, engine or serial number, manufacturer's model or letter, gross weight, *and* type of body; and, if a truck, the rated capacity; and

(d) other information that the department may require.

(2) A person who files an application for registration or reregistration of a motor vehicle, except of a mobile home as defined in 15-1-101(1), shall upon the filing of the application pay to the county treasurer:

(a) the registration fee, as provided in 61-3-311 and 61-3-321; and

(b) unless it has been previously paid:

(i) the personal property taxes assessed against the vehicle for the current year of registration and the immediately previous year; or

(ii) the new motor vehicle sales tax against the vehicle for the current year of registration.

(3) The application may not be accepted by the county treasurer unless the payments required by subsection (2) accompany the application. The department ~~or its agent of revenue~~ may not assess and the county treasurer may not collect taxes or fees for a period other than:

(a) the current year; and

(b) the immediately previous year, if the vehicle was not registered or operated on the highways of the state, regardless of the period of time since the vehicle was previously registered or operated.

(4) The department ~~or its agent of revenue~~ may make full and complete investigation of the tax status of the vehicle. Any applicant for registration or reregistration ~~must~~ *shall* submit proof from the tax or other appropriate records of the proper county at the request of the department ~~or its agent of revenue~~."

Section 132. Section 61-3-345, MCA, is amended to read:

"61-3-345. County motor vehicle computer system. (1) The department shall maintain a statewide ~~on-line~~ *online* computer system to be used to register and reregister motor vehicles, boats, snowmobiles, and off-highway vehicles.

(2) The department shall establish the user advisory group to assist in the development of policies governing the registration and reregistration of motor vehicles, boats, snowmobiles, and off-highway vehicles. The user advisory group must be appointed by the attorney general and must include:

(a) an employee of the department of administration, data processing division, selected by the division administrator;

(b) two county treasurers, selected by the Montana county treasurers association;

(c) one county motor vehicle section supervisor, selected by the Montana county treasurers association;

(d) ~~a county assessor~~ *an employee of the department of revenue who is engaged in property assessment*, selected by the director of the department of revenue;

(e) an employee of the department of justice, data processing division, selected by the division administrator;

(f) an employee of the department of justice, motor vehicle division, registrar's bureau, selected by the division administrator;

- (g) an employee of the department of justice, motor vehicle division, driver services bureau, selected by the division administrator;
 - (h) a member of the Montana bankers' association, selected by the association director;
 - (i) a member of the Montana automobile dealers association, selected by the association director; and
 - (j) a member or employee of the Montana American automobile association, selected by the association director.
- (3) Committee members who are not employees of the state of Montana shall serve a term of 2 years, and state employee members shall serve at the pleasure of the attorney general.
- (4) Travel and per diem expenses for the committee must be charged to the motor vehicle division.
- (5) Secretarial and support services for the committee must be provided by the motor vehicle division.
- (6) The committee shall meet no more than four times a year unless specifically called by the attorney general."

Section 133. Section 61-3-503, MCA, is amended to read:

"61-3-503. Assessment. (1) Except as provided in 61-3-520 and subsection (2) of this section, the following apply to the taxation of motor vehicles:

(a) Except as provided in subsections (1)(c) through (1)(e), a person who files an application for registration or reregistration of a motor vehicle shall before filing the application with the county treasurer submit the application to the ~~county assessor department of revenue~~. The ~~county assessor department of revenue~~ shall enter on the application in a space to be provided for that purpose the market value and taxable value of the vehicle as of January 1 of the year for which the application for registration is made.

(b) Except as provided in subsection (1)(c), motor vehicles are assessed for taxes on January 1 in each year irrespective of the time fixed by law for the assessment of other classes of personal property and irrespective of whether the levy and tax may be a lien upon real property within the state. A motor vehicle is not subject to assessment, levy, and taxation more than once in each year.

(c) Vehicles subject to the provisions of 61-3-313 through 61-3-316 must be assessed as of the first day of the registration period, using the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the Mountain States Edition of the National Automobile Dealers Association (N.A.D.A.) Official Used Car Guide, the National Edition of N.A.D.A. Appraisal Guides Official Older Used Car Guide, or another nationally published used vehicle or appraisal guide approved by the department of revenue or, for a vehicle that was never listed in any edition of the preceding guides, the retail value of the vehicle as determined by the ~~county assessor department of revenue~~, and thereafter depreciated 10% per year

until a value of \$500 is reached, not including additions or deductions for options and mileage but including additions or deductions, whether or not one of the preceding guides is used, for diesel engines; and a lien for taxes and fees due on the vehicle ~~shall occur~~ occurs on the anniversary date of the registration and ~~shall continue~~ continues until the fees and taxes have been paid. If the value shown in any of the appraisal guides listed in this section is less than \$500, the department shall value the vehicle at \$500.

(d) Motorcycles and quadricycles must be assessed, using the greater of the following:

(i) \$250; or

(ii) the average trade-in or wholesale value as of January 1 of the year of assessment of the vehicle as contained in the most recent volume of the applicable National Edition of the N.A.D.A. Motorcycle/Moped/ATV Appraisal Guide or N.A.D.A. Recreational Vehicle Appraisal Guide or another nationally published used vehicle or appraisal guide approved by the department of revenue, not including additions or deductions for options and mileage.

(e) If a vehicle assessed under subsection (1)(c) or (1)(d) is not originally listed in the applicable N.A.D.A. guide or other approved guide, the department of revenue ~~or its agent~~ shall depreciate the original f.o.b. factory list price, f.o.b. port-of-entry list price, or the manufacturer's suggested list price, using the following methods:

(i) if the new car sales tax has been previously paid and the vehicle is less than 1 year in age, the depreciation percentage ~~shall be~~ is 20%; or

(ii) if the vehicle is 1 year or older in age and it is not listed in any of the appraisal guides listed in this section, the department of revenue shall determine the depreciation percentage to approximate the average wholesale or trade-in values in the current N.A.D.A. guides or other approved guides referred to in this subsection. For purposes of this subsection (1), the age of the vehicle is determined by subtracting the manufacturer's model year of the vehicle from the calendar year of assessment.

(f) When a minimum value of \$500 is reached, the value ~~shall~~ must remain at that minimum ~~so~~ as long as the vehicle is registered.

(g) If a previously registered vehicle is no longer listed in the applicable N.A.D.A. guide or other approved guide, the department ~~or its agent of revenue~~ shall depreciate the value of the vehicle at the rate of 10% a year until a minimum amount of \$500 is attained, and the value ~~shall~~ must remain at that amount ~~so~~ as long as the vehicle is registered.

(2) The provisions of subsections (1)(a) through (1)(g) do not apply to motor homes, travel trailers, campers, or mobile homes as defined in 15-1-101(1)."

Section 134. Section 61-12-402, MCA, is amended to read:

"61-12-402. Notice to owner. (1) Within 72 hours after any vehicle is removed and held by or at the direction of the Montana highway patrol, the highway patrol shall notify the sheriff of the county in which the vehicle was located at the time it was taken into custody and the place where the vehicle is

being held. In addition, the Montana highway patrol shall furnish the sheriff a complete description of the vehicle, ~~to include~~ *including* year, make, model, serial number, and license number if available; any costs incurred to that date in the removal, storage, and custody of the vehicle; and any available information concerning its ownership.

(2) The sheriff or the city police shall make reasonable efforts to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle taken into custody under 61-12-401. If ~~such a~~ name and address are ascertained, the sheriff or the city police shall notify ~~such the~~ owner and lienholder or person of the location of the vehicle.

(3) If the vehicle is registered in the office of the department, notice ~~shall be deemed is considered to have been~~ given when a registered or certified letter addressed to the registered owner of the vehicle and lienholder, if any, at the latest address shown by the records in the office of the department, return receipt requested and postage prepaid ~~thereon~~, is mailed at least 30 days before the vehicle is sold ~~as hereinafter provided~~.

(4) If the identity of the ~~last registered~~ *last-registered* owner cannot be determined, ~~or if the registration contains no~~ *does not contain an* address for the owner, or if it is impossible to determine with reasonable certainty the identity and addresses of all lienholders, notice by one publication in one newspaper of general circulation in the county where the motor vehicle was abandoned ~~shall be~~ *is* sufficient to meet all requirements of notice pursuant to this part. ~~Such~~ *The* notice by publication can contain multiple listings of abandoned vehicles. ~~Any such~~ *The* notice ~~shall~~ *must* be provided in the same manner as prescribed in 25-13-701(1)(b).

(5) If the abandoned vehicle is in the possession of a motor vehicle wrecking facility licensed under 75-10-511, the wrecking facility may make the required search to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall give the notices required in subsections (2) through (4). The wrecking facility shall deliver to the sheriff or the city police a certificate describing the efforts made to ascertain the name and address of the owner, lienholder, or person entitled to possession of the vehicle and shall deliver to the sheriff or the city police proof of the notice given.

(6) A vehicle found by law enforcement officials to be a "junk vehicle" as defined by 75-10-501 and certified as having an appraised value of \$100 or less as determined by the ~~county assessor in accordance with the rules of the~~ department of revenue may be directly submitted for disposal in accordance with the provisions of part 5 of chapter 10, Title 75, upon a release given by the sheriff or the city police. In the release, the sheriff or the city police shall include a description of the vehicle, including year, make, model, serial number, and license number if available. A release provided by the sheriff or the city police under this section ~~shall~~ *must* be transmitted to the motor vehicle wrecking facility and ~~shall~~ *must* be considered by that facility to meet the requirements for records under 75-10-512 and 75-10-513. Vehicles described in this section may be submitted without notice and without a required holding period."

Section 135. Section 70-23-304, MCA, is amended to read:

"70-23-304. Declaration to be approved by department of revenue before recording. Before a declaration may be recorded *in the county in which the property is located*, it must be approved by ~~the agent of the~~ department of revenue ~~in the county in which the property is located~~. No A declaration shall must be approved unless:

- (1) the name is proper so as to comply with 70-23-303; and
- (2) all taxes and assessments due and payable have been paid."

Section 136. Section 70-23-305, MCA, is amended to read:

"70-23-305. Recording of declaration. (1) When a declaration is made and approved as required, it must, upon the payment of the fees provided by law, be recorded by the recording officer. The fact of recording and the date of recording must be entered on the declaration.

(2) At the time of recording a declaration, the person offering it for record shall also file a copy, certified by the recording officer to be a true copy, with the department of revenue ~~or its agent in the county in which the property is located~~.

(3) If the property is located in a city or town, a copy of the declaration only must also be filed with the city or town clerk at the time of recording."

Section 137. Section 76-2-102, MCA, is amended to read:

"76-2-102. Organization and operation of commission. (1) The commission is to consist of the three county commissioners, the county surveyor, and ~~the county assessor~~ *a county official appointed by the county commissioners*. Members of the commission shall serve without compensation other than reimbursement for duly authorized expenses and ~~shall~~ *must* be residents of the county in which they serve.

(2) The commission ~~hereby is authorized to~~ *may* appoint necessary employees and fix their compensation with the approval of the board of county commissioners, ~~to select a chairman presiding officer to serve for 1 year, to appoint a secretary who shall to keep permanent and complete records of its proceedings, and to adopt rules governing the transaction of its business.~~

(3) The finances necessary for the transaction of the planning and zoning commission's business and to pay the expenses of the employees and justified expenses of the members of the board ~~shall~~ *must* be paid from a levy of not to exceed 1 mill on the taxable valuation of the real property within ~~such the~~ district."

Section 138. Section 76-13-207, MCA, is amended to read:

"76-13-207. Determination and collection of costs of fire protection. (1) The department shall prepare an annual operation assessment plan in which fire protection costs are determined. The department shall request the legislature to appropriate the state's portion of the cost. After the appropriation is made by the legislature, the department shall cause an assessment to be made on the owners of classified forest land, as specified in 76-13-201, sufficient to bring the total amount received from ~~such the~~ landowners to no greater than one-third of the amount specified in the appropriation.

(2) On or before the second Tuesday in August of each year, the department shall certify in writing to the ~~county assessor of each county~~ department of revenue the names of these owners of forest lands in ~~his each county~~, together with a description of their lands and a statement of the amount found to be due and owing by each of the owners to the department for forest fire protection.

(3) Upon receiving the certificate from the department showing the amount due, the ~~county assessor department of revenue~~ shall extend the amounts upon the county tax rolls covering the lands, and the sums shall become obligations of the owner, to be paid and collected in the same manner and at the same time and ~~with like subject to the same penalties as general state and county taxes upon the same property are collected.~~

Section 139. Section 76-15-518, MCA, is amended to read:

"76-15-518. Certification of assessment to assessor department of revenue — entry on assessment roll property tax record. The board of county commissioners of each county in which any portion of the district is situated may levy the assessment provided in this part or part 6. The assessment shall ~~must~~ be certified to the ~~county assessor of each of the respective counties~~ department of revenue and entered on the ~~assessment roll property tax record of each county.~~

Section 140. Section 77-1-501, MCA, is amended to read:

"77-1-501. List of state lands by county. The department shall, before the first Monday of April of every year, prepare and transmit a statement to the department of revenue ~~or its agent in that~~ designates each county in which the state has real property in excess of 6% of the total land area of the county and from which the state derives grazing, agricultural, or forest income. The statement shall ~~must~~ contain the total number of acres owned by the state in that county and list the acres separately as grazing, agricultural, or forest land."

Section 141. Section 77-1-503, MCA, is amended to read:

"77-1-503. Form to be completed by county agent of the department of revenue. The department shall provide a form ~~for each county to be followed and completed by the agent of the department of revenue in each county.~~ The ~~agent department of revenue~~ shall, before October 1, make the computations required and submit to the department the completed ~~form forms~~, which shall ~~must~~ show the computations and method used in arriving at the state land equalization payment."

Section 142. Section 77-1-504, MCA, is amended to read:

"77-1-504. Processing of county statements. The department shall examine ~~for accuracy~~ the statement returned by the ~~agent of the department of revenue for accuracy~~, and ~~in no case shall the state land equalization payment may not be approved unless the state exemption figure is deducted from the gross assessment figure in the statement.~~ The department shall, before November 1 of each year, prepare and file a claim with the department of administration for all counties ~~who that~~ are eligible for state land equalization payments, and this claim shall ~~must~~ show the amount of money each eligible county will receive."

Section 143. Section 77-2-313, MCA, is amended to read:

"77-2-313. Land subject to taxation. (1) State lands purchased from the state are subject to taxation ~~to the full value thereof.~~ The department of revenue shall assess the purchaser for the full value of the land on January 1 following the date of purchase. The holder of certificates of purchase to lands within ~~an irrigation districts district~~ is liable for the entire ~~irrigation district~~ tax levied against the land ~~thereunder on account of such irrigation district.~~

(2) The improvements on the land shall ~~must~~ be assessed and taxed as other improvements on farm lands.

(3) On or before January 15 of each year, the department shall furnish the department of revenue ~~or its agent in each county~~ with a complete list of all state lands sold in ~~his each county~~ during the ~~previous calendar year ending on the previous December 31.~~ This list shall ~~must~~ show the name and address of the purchaser, the legal description of the land, and the acreage contained therein ~~in the purchase.~~

Section 144. Section 80-2-203, MCA, is amended to read:

"80-2-203. Participation in program — tax. (1) A taxpayer or an association of taxpayers engaged in the growing of crops other than ~~those~~ specified in this part or other agricultural or horticultural products subject to injury or destruction by hail may, by individual or joint election filed with and approved by the board of hail insurance, accept the provisions of this part and elect to become subject to this part. The risks may be classified by the board, and suitable levies may be imposed as agreed upon by the board and the taxpayers. The taxpayers are entitled to the benefits and protection afforded by the insurance provisions of this part.

(2) ~~Every Each~~ farmer taxpayer who signifies a desire to become subject to the provisions of this part shall file ~~in the office of the county assessor with the department of revenue~~ the properly filled out form not later than August 15. ~~and The taxpayer is chargeable with the tax provided for on lands growing crops subject to injury or destruction by hail and shall share in the protection and benefits under the hail insurance provisions of this part. The application for hail insurance is in full force and effect at 12:01 a.m. the day immediately following the acceptance of the application by the county assessor department of revenue.~~

(3) This part may not be construed to empower anyone except the actual owner of the land to make the land subject to the hail tax provided in this part."

Section 145. Section 80-2-204, MCA, is amended to read:

"80-2-204. Duty of agent of the department of revenue — election of benefits of law. ~~It shall be the duty of the agent of the~~ The department of revenue ~~in each county in the state shall~~ upon request to explain to each taxpayer engaged in the growing of crops subject to injury or destruction by hail the provisions of this part. ~~and the protection afforded thereby and to The department of revenue shall issue hail insurance policies, on the forms provided for such purpose, if such to each taxpayer who desires to become subject to this part, and to become liable for the tax levies provided hereby in this part, and thereby to be eligible to for the benefits and protection of this part. Each such A~~

taxpayer who elects to become subject to this part shall be liable for the taxes levied for hail insurance and shall participate in the benefits and protection afforded by this part, ~~provided that~~ *Either the owners of lands worked by others under lease or contract shall elect if such lands shall be subject to the tax levies herein provided for and the crops grown thereon protected may make the election for hail insurance; or the lessee of such the land may tender payment of the tax levied for hail insurance to protect his the lessee's crops, in cash, to the officer authorized to receive payment same, whereupon such crops shall become eligible to the benefits and protection afforded by this part for hail insurance."*

Section 146. Section 80-2-206, MCA, is amended to read:

"80-2-206. Cash payment. When an applicant for hail insurance tenders cash for the ~~same insurance to the county assessor department of revenue, he shall be the applicant~~ is allowed a discount of 4%. ~~His~~ *The* hail insurance shall ~~must~~ be issued upon said the cash payment less the 4% mentioned. The charge for the insurance shall ~~must~~ be based on the maximum rates shown on the application for hail insurance. If the current rates are reduced later, the board of hail insurance shall arrange for the proper refund to the insured. All cash received by the ~~assessor shall~~ *department of revenue must* be promptly turned over to the county treasurer, who ~~will shall~~ furnish the insured with a current receipt and place the money in the hail insurance fund."

Section 147. Section 80-2-207, MCA, is amended to read:

"80-2-207. Delinquent taxes — application by delinquent — crop lien. (1) ~~No~~ *An* owner of land who has more than 1 year's delinquent taxes on ~~his the land shall may not~~ be allowed hail insurance under the provisions of this part, unless ~~his the owner's~~ application is accompanied by a cash payment for the amount that would be due on ~~said the~~ application in the event of a maximum levy for that year.

(2) Any grain grower unable to secure state hail insurance under the provisions of this part ~~on account because~~ of delinquent taxes or for other reasons may make application to the county assessor of his ~~respective county department of revenue, and said county assessor is hereby authorized to the department of revenue may receive and accept such the applications where when~~ the applicant furnishes a sufficient crop lien ~~that is~~ subject only to a seed lien, ~~provided that such~~ *The* crop lien shall ~~may~~ be accepted only under ~~such~~ rules and requirements ~~as that may be prescribed by the board of hail insurance and provided under the provision that the board may cancel any hail insurance accepted in violation of said the rules and requirements. Upon receipt of said the application, the county assessor department of revenue shall make a record thereof of the application and shall file the original in the office of the clerk and recorder of said the county. He~~ *The* department of revenue shall also cause an assessment for the proper amount to be made on the ~~assessment rolls property tax record~~ in the same manner provided for in the case of other special levies or assessments.

(3) ~~No~~ *A* tenant who has delinquent hail insurance ~~which that~~ was secured by a crop lien only and not secured by real estate ~~shall may not~~ be allowed another policy in any succeeding year until ~~he pays his the~~ delinquent account or accounts ~~are paid~~ or until ~~he the tenant~~ pays cash for the current hail insurance.

(4) If ~~any a~~ tenant becomes delinquent for his hail insurance after having failed to apply for relief as provided by the board under 80-2-229, ~~he the tenant~~ may apply to the board for a reduction. If ~~his the~~ reasons for requesting a reduction are approved by the board, the board may reduce ~~his the~~ charge to not less than one-half the original amount charged."

Section 148. Section 80-2-225, MCA, is amended to read:

"80-2-225. Real estate lien — creation. ~~Such~~ *The* tax levies are chargeable to the lands of each taxpayer, ~~respectively, who elects to become subject to this part and shall must be extended on entered in the property tax roll record and collected by the officers charged with such duties in the manner and form as are other property taxes. and if~~ *If the levies are not paid, shall be they are a lien on the lands against which the same they are levied in the same manner as are other property taxes. The lien may in no way affect mortgages that are of record on March 14, 1917. The lien of any mortgage filed subsequent to March 14, 1917, shall be subsequent to any lien for hail insurance hereafter levied thereon."*

Section 149. Section 81-2-302, MCA, is amended to read:

"81-2-302. Duty of county assessor department of revenue. ~~The assessment roll property tax record of the county in which the disease control area is to be established is the basis for computing the required percentage of livestock owners and livestock. The county assessor department of revenue shall certify to the department when the necessary 75% of the owners of livestock representing not less than 50% of the species of livestock to be inspected, tested, treated, or vaccinated have signed the required petition."~~

Section 150. Section 81-4-511, MCA, is amended to read:

"81-4-511. Assessment of horses taken in roundup. ~~It shall be the duty of the county assessor~~ *Following a roundup held pursuant to this part, the department of revenue shall immediately to assess all horses that have been taken up in such a roundup which shall and that may be sold or reclaimed before sale and not already assessed for the current year. and forthwith* *The* department of revenue shall transmit to the county treasurer a copy of each assessment made. Any ~~such~~ horses ~~which that~~ have escaped the assessment mentioned in 81-4-501 ~~shall must~~ be assessed as provided for in 15-8-306."

Section 151. Section 81-4-513, MCA, is amended to read:

"81-4-513. Report of roundup foreman — disposition of copies. ~~The roundup foreman in charge of any such the roundup shall keep an accurate record of all proceedings had under the order for such the roundup, and within~~ *Within 30 days after such the roundup shall be is completed, he must the foreman shall prepare in triplicate and verify by his oath a full, true, and accurate report of all the proceedings taken or had under the order for the roundup, among other things, particularly including* *The report must include a complete financial statement, the number and description of horses impounded, and how disposed of the manner of disposition of the horses. Within said 30 days one of such triplicates of such* *One copy of the report shall must* be filed with the clerk of the board of county commissioners, and ~~such the~~ filing ~~shall be is~~ notice ~~to the world~~ of all the contents of ~~such the~~ report and prima facie proof of the facts therein

stated in the report. ~~Within said 30 days one of such triplicate shall also~~ One copy of the report must be filed with the county assessor department of revenue, and one copy must be filed with the county treasurer, for their information and appropriate action."

Section 152. Section 81-4-516, MCA, is amended to read:

"81-4-516. Limitation of powers or duties of officers. Except as herein provided in this part, ~~nothing herein contained shall this part may not~~ be construed as limiting the powers or duties of assessors the department of revenue, county treasurers, or other boards or officers."

Section 153. Section 81-7-303, MCA, is amended to read:

"81-7-303. County commissioners permitted to require per capita license fee on sheep. (1) To defray the expense of such protection, the board of county commissioners of any county ~~shall have the power to may~~ require all owners or persons in possession of any sheep coming 1 year old or over older in the county on the regular assessment date of each year to pay a per capita license fee in an amount to be determined by the board ~~on a per head basis for sheep so owned or possessed by him in the county.~~ All owners or persons in possession of any sheep coming 1 year old or over older coming into the county after the regular assessment date and subject to taxation under the provisions of 15-24-301 ~~shall also be~~ are subject to payment of the license fee herein prescribed.

(2) Upon the order of the board of county commissioners, ~~such the~~ license fees may be imposed by the entry thereof in entering the name of the licensee upon the property tax rolls record of the county by the county assessor department of revenue. ~~Said The~~ license fees shall be payable to and must be collected by the county treasurer, ~~and when so~~ When levied, shall be the fees are a lien upon the property, both real and personal, of the licensee. ~~In case If~~ the person against whom said the license fee is levied ~~owns no does not own~~ real estate against which said the license fee is or may become a lien, then said the license fee shall be is payable immediately upon its levy and the treasurer shall collect the same fee in the manner provided by law for the collection of personal property taxes which that are not a lien upon real estate.

(3) When collected, ~~said the~~ fees shall must be placed by the treasurer in the predatory animal control fund and the moneys in said fund shall may be expended on order of the board of county commissioners of the county for predatory animal control only."

Section 154. Section 85-7-2136, MCA, is amended to read:

"85-7-2136. Collection of taxes or assessment. (1) On or before the third Monday in August of each year, the board of commissioners shall furnish the agent of to the department of revenue in each county in which any of the lands of the district are situated a correct list of all the district lands in the county, together with the amount of the total taxes or assessments against the lands for district purposes. The agent of the department of revenue in each county shall immediately upon receipt of the list, ~~and prior to the delivery of the assessment book to the county treasurer, cause enter the assessment roll to be entered in the assessment book property tax record of the county for each year.~~

(2) ~~It is the duty of the~~ The county treasurer of each county in which any irrigation district is located, in whole or in part, ~~to shall~~ collect and receipt for all taxes and assessments levied by the district, in the same manner and at the same time as is required in the collection of taxes upon real estate for county purposes as provided in 15-16-102. The treasurer shall receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not.

(3) During the water delivery season, as determined by the irrigation district commissioners, the county treasurer shall make available to the board of commissioners of an irrigation district notice of the receipt of payments of district assessments by 9 a.m. on the day following receipt of those payments.

(4) If requested in writing by a board of commissioners of an irrigation district, the county treasurer may receive assistance from an employee of the irrigation district or a commissioner of the district for the purpose of collecting district assessments as provided in 15-16-102, investing district funds as directed by the board of commissioners of the district, and preparing district assessment notices.

(5) When any real estate on account of which the district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of the district tax or assessment, together with the penalty and interest to date of payment on such the installment. However, the payment may not be considered a redemption of the property from the tax sale but must be credited on account of any redemption that may be made. In case of any payment pursuant to this subsection, a separate tax receipt must issue, showing exactly what assessments have been paid, and must show that no other tax on the real estate has been received by the treasurer. The county treasurer may not collect, or receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any irrigation district upon which an assessment for the purposes of the irrigation district has been levied unless the assessment levied for irrigation district purposes is paid as permitted in this section and the receipt for the payment presented to the county treasurer at the time the taxes are paid, or paid at the same time."

Section 155. Section 85-8-601, MCA, is amended to read:

"85-8-601. Certification and collection of district taxes. (1) On or before the third Monday in August of each year, the commissioners shall certify to the agent of the department of revenue in each county wherein the lands of the district are situate a correct list of all the district lands in such each county and the owners thereof of the lands, together with a statement of the amount of the total tax or assessment against said the lands for district purposes for that year. The agent of the department of revenue in each county shall immediately thereupon cause said enter the assessment roll to be entered in the assessment book property tax record of said the county for each year and prior to the delivery of the assessment book to the county treasurer.

(2) ~~It shall be the duty of the~~ The county treasurer of each county in which any a drainage district is located, in whole or in part, ~~to shall~~ collect and receipt for all taxes and assessments levied by any such the district, in the same manner and at the same time as is required in the collection of taxes upon real estate

for county purposes as provided in 15-16-102; ~~provided~~ However, the treasurer ~~shall must~~ receive from any taxpayer, at any time, the amount due on account of any district assessments of any kind, whether other taxes on the same real estate are paid or not. When any real estate on account of which ~~such the~~ district taxes and assessments have been levied has been sold to the county and tax certificate of sale is held by the county, the taxpayer may pay to the treasurer at any time any semiannual installment of ~~such the~~ district tax or assessment, together with the penalty and interest to date of payment on ~~such the~~ installment; ~~provided that such~~ However, the payment shall may not be deemed considered a redemption of ~~said the~~ property from ~~such the~~ tax sale, but shall must be credited on account of any redemption that may thereafter later be made. In case of any payment pursuant to this subsection, a separate tax receipt ~~shall issue must be issued~~ showing exactly what assessments have been paid and ~~shall show showing~~ that no other tax on ~~said the~~ real estate has been received by ~~said the~~ treasurer; ~~provided such~~ However, the county treasurer shall may not collect, or receive, or receipt for any taxes levied for county purposes upon real estate situated wholly or in part within any drainage district upon which an assessment for the purposes of ~~such the~~ drainage district has been levied unless the assessment levied for ~~such the~~ drainage district purposes be is either paid as herein permitted provided in this section and the receipt therefor is presented to the county treasurer at the time ~~such the~~ real estate taxes are paid; or paid at the same time the drainage district taxes are paid."

Section 156. Section 85-9-603, MCA, is amended to read:

"85-9-603. Directors to provide county officials with financial information. (1) Before the second Monday in July of each year, the directors shall provide the ~~county assessor department of revenue and the county treasurer~~ with:

- (a) the budget for the current fiscal year;
- (b) a statement of the amount of special assessments to be collected for the districts; and
- (c) a listing of all real property within the district.

(2) If the district is located in more than one county, the directors shall provide this information to the department of revenue and each of the affected county ~~assessors and~~ treasurers."

Section 157. Taxation of personal property — duty of department.

(1) If the taxes on personal property are not a lien upon real property in the same county in an amount sufficient to secure the payment of the taxes, the department shall assess the property and compute the tax for the assessment. The department shall notify the county treasurer of the assessment and the amount of taxes due. To compute the taxes due on the personal property, the department shall use the appropriate mills levied during the previous year.

(2) The county treasurer shall notify the person against whom the tax is assessed and any other person having a properly perfected security interest of record of the amount and due date of the tax. The tax is due and payable 30 days from the date the treasurer mails the notice. Taxes not paid within 30 days

become delinquent, and the penalty and interest provisions of 15-16-101 must be applied.

(3) The county treasurer shall, after the tax becomes delinquent, levy upon and take into possession the personal property against which a tax is assessed or any other personal property in the hands of the delinquent taxpayer. The county treasurer may proceed to sell the property in the same manner as property is sold on execution by the sheriff.

(4) The county treasurer shall, for the purpose of making the levy and sale, direct the sheriff to make the levy and sale. The sheriff, undersheriff, or any deputy sheriff of the county is ex officio a deputy county treasurer for sale purposes and may receive payment of the taxes, penalty, and interest. The sheriff may receive the same fees as for making a seizure and sale as provided in 15-17-911.

(5) The county treasurer and the treasurer's sureties are liable on the treasurer's official bond for all taxes on personal property remaining uncollected by reason of the willful failure and neglect of the treasurer to levy upon and sell the personal property for the taxes levied upon the property, including penalty and interest.

(6) Failure by the sheriff, undersheriff, or deputy sheriff acting as a deputy county treasurer to make the levy and sale results in a levy against the official bond of the sheriff, undersheriff, or deputy sheriff for payment of the delinquent tax, including penalty and interest.

(7) The provisions of this section do not apply to property for which delinquent property taxes have been suspended or canceled under the provisions of Title 15, chapter 24, part 17.

Section 158. Assessors qualifying as employees. (1) A person serving as a county assessor on January 1, 1994, may qualify to become an employee of the department of revenue upon satisfying the following conditions:

(a) The assessor shall notify the department in a written statement received by January 4, 1994, of the assessor's intention to become an employee.

(b) The assessor shall resign from that office effective no later than January 24, 1994.

(2) This section does not apply to a person who is an assessor because the office of assessor was consolidated with another county office prior to [the effective date of this section].

Section 159. Classification and salary for qualifying assessor. (1) The position for which a qualifying county assessor is employed as provided in [section 158] must be classified in accordance with the classification standards for state employees.

(2) The initial salary for qualifying assessors is determined as follows:

(a) If an assessor's salary as established by resolution of the board of county commissioners for fiscal year 1994 is greater than the market salary under

2-18-312 for the grade of the new position, the initial salary is the same as the amount set by the resolution of the board of county commissioners.

(b) If an assessor's salary as established by the board of county commissioners for fiscal year 1994 is less than the applicable entry-level salary under 2-18-312, the initial salary is the entry-level salary for the grade of the new position.

(3) If, after initial employment, a qualifying assessor is transferred to a different position because of a disciplinary action against the assessor, the assessor's salary must be determined according to the rules and policies governing employee disciplinary actions.

(4) If, after initial employment, a qualifying assessor voluntarily seeks and obtains a transfer to a different assessment position, the person's salary must be based upon the grade classification of that new position without regard to this section.

Section 160. Benefits for qualifying assessors. (1) In addition to other benefits provided by law, county assessors qualifying for employment with the department of revenue under [section 158] are entitled to the following benefits:

(a) credit for time served as an assessor for completing new employee probationary requirements and for determining years of service for annual vacation leave entitlements;

(b) an initial allowance of annual leave of 40 hours. Annual leave taken must first be credited against this initial allowance. Cash compensation is not allowed under 2-18-617 for any portion of this initial allowance that is unused at termination of employment.

(c) an initial allowance of sick leave of 40 hours. Sick leave taken must first be credited against this initial allowance. A lump-sum payment is not allowed under 2-18-618 for any portion of this initial allowance that remains at termination of employment.

(2) All uninterrupted time served as an assessor is considered as state service for the purposes of 2-18-304.

Section 161. Required employment — department excused from hiring practices. (1) The department of revenue shall employ:

(a) any assessor who qualifies under [section 158] to become an employee of the department; and

(b) deputy assessors appointed before November 12, 1993, with continuous service through January 4, 1994, who by that date make a written request for employment.

(2) The department is exempt from compliance with any statute, rule, or policy that requires competitive, formal hiring practices in employing qualifying assessors. Hiring preferences and the provisions of Title 2, chapter 18, part 12, do not apply to the hiring of eligible former assessors.

(3) Deputy assessors who become employees of the department are considered employees transferring between agencies of the same jurisdiction for the purposes of 2-18-617 and 2-18-618.

Section 162. Department contract for county assessor. (1) The department of revenue may, with the consent of the assessor, contract with the county for the assessor to perform assessment work as assigned by the department. Under this contract, the department shall reimburse the county for one-half of the wages and benefits of the assessor. An assessor performing work under this contract is not considered to be an employee of the department for any purpose. However, the department may pay the assessor's salary and benefits and be reimbursed by the county for the county's share of the salary and benefits.

(2) As a condition for the continuation of a contract under this section, the contract must provide that the assessor meet the qualification and certification standards required for department assessment personnel who perform comparable duties.

Section 163. Consolidation of office of county assessor — special procedure — transfer of records. (1) The board of county commissioners may consolidate the office of county assessor with another county office. For a consolidation under this section, the notice of hearing need only be published once, notwithstanding the provisions of 7-1-2121. The publication may not be less than 3 days prior to the date of the hearing. In all other respects, the notice must be published in accordance with 7-4-2307.

(2) If the assessor becomes an employee of the department of revenue as provided in [section 161], the order of the county commissioners combining the offices under this section must be made and entered no later than January 14, 1994. After January 14, 1994, the office of the county assessor may be consolidated pursuant to Title 7, chapter 4, part 23.

(3) Notwithstanding the provisions of 7-4-2311, when an order is made under subsection (2) to consolidate the office of assessor with another office, the outgoing assessor shall deliver and transfer to the department all of the books, files, papers, documents, maps, plats, and records of the office. The department shall maintain necessary records and documents within the county for public access during normal business hours, unless the department needs the records and documents for appraisal purposes. The records and documents may be made available from county officials.

Section 164. State not obliged to reimburse county for assessor salary. Except for contracts under [section 162] between the department of revenue and a county regarding its county assessor, the department may not pay or reimburse a county for any part of the salary or benefits earned by an assessor or deputy assessor after January 14, 1994.

Section 165. Advisory committee — study of taxation of motor vehicles and mobile homes. (1) The governor shall appoint an advisory committee to study the valuation and taxation of motor vehicles and mobile homes. The membership of the committee must include:

(a) a county treasurer;

- (b) a county assessor (or former county assessor);
- (c) an employee of the department of justice, motor vehicle division, selected by the division administrator;
- (d) an employee of the department of transportation, selected by the director of the department of transportation; and
- (e) an employee of the department of revenue, property assessment division, selected by the division administrator.

(2) The committee shall meet when requested by the director of revenue.

(3) The committee shall study methods and processes for valuation and taxation of motor vehicles and mobile homes. The committee shall submit its recommendations to the director of revenue.

(4) All administrative and secretarial support for the committee is provided by the department of revenue.

(5) All reimbursable expenses, including travel and per diem expenses, must be charged to the department of revenue.

Section 166. Office hours. Notwithstanding the provisions of 2-16-117, the department of revenue may determine by rule the office hours for property appraisal and assessment field offices located in the various counties. This section does not apply to any other offices of the department.

Section 167. Section 7-4-3007, MCA, is amended to read:

"7-4-3007. Qualifications for office of county assessor — forfeiture of office. (1) In addition to the qualifications set forth in 7-4-2201, each assessor, before entering the duties of his office, ~~must shall:~~

- (a) take and file with the county clerk the constitutional oath of office; and
- (b) certify to the county clerk that:

(i) ~~he the assessor~~ has satisfactorily completed the assessor certification training as provided in ~~15-8-106(2)~~ 15-7-106(4); or

(ii) ~~he the assessor~~ intends to take the assessor certification training at the next offering.

(2) An assessor forfeits his office for failure to take and satisfactorily complete the assessor certification training within 36 months after taking office by election or appointment or for failure to satisfactorily complete ~~annual~~ continuing education ~~as provided in 15-8-106 when conducted by the department of revenue,~~ unless the board of county commissioners finds that:

(a) the assessor is excused for reasons beyond ~~his the assessor's~~ control, including illness, a death in the family, or other good cause; or

(b) there is no other qualified person available for appointment as assessor.

(3) *Subsections (1)(b) and (2) do not apply to county officers who are county assessors because their county office has been consolidated with the office of*

county assessor and who are not contractually required to perform property assessment duties for the department."

Section 168. Appropriations. (1) The fiscal 1995 general fund appropriation for the property valuation division, department of revenue, as specified under item 7, page 2607, section 15, Chapter 623, Laws of 1993, including any amendments by the special session convening November 29, 1993, is reduced by \$1,200,000.

(2) There is appropriated to the department of revenue from the account provided for in [section 2] an amount not to exceed \$1 million for each year of the biennium.

Section 169. Repealer. Sections 7-2-2753, 7-6-2540, 15-1-403, 15-1-506, 15-7-213, 15-8-103, 15-8-105, 15-8-106, 15-8-114, 15-8-302, 15-8-705, 15-8-706, 15-9-102, 15-10-301, 15-10-302, 15-10-303, 15-10-304, 15-10-306, 15-10-307, 15-10-308, 15-16-111, 15-16-112, 15-16-113, 15-16-114, and 15-30-228, MCA, are repealed.

Section 170. Codification instructions. (1) [Section 2] is intended to be codified as an integral part of Title 15, chapter 1, part 5, and the provisions of Title 15, chapter 1, part 5, apply to [section 2].

(2) [Section 157] is intended to be codified as an integral part of Title 15, chapter 16, part 1, and the provisions of Title 15, chapter 16, part 1, apply to [section 157].

Section 171. Applicability. (1) [Section 127] applies retroactively, within the meaning of 1-2-109, to terminations on or after June 25, 1993.

(2) [Sections 1 through 37, 39 through 107, 111, 115 through 167, and 169] apply to tax years after December 31, 1993.

(3) [Sections 38, 108 through 110, and 112 through 114] apply to tax years after December 31, 1994.

Section 172. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 173. Effective dates. (1) [Sections 1 through 126, 128 through 157, and 165 through 167] are effective January 1, 1994.

(2) [Sections 127, 158 through 164, and 168 through 172 and this section] are effective on passage and approval.

Approved December 27, 1993.

CHAPTER NO. 28

[HB 4]

AN ACT ALLOWING THE USE OF INMATE LABOR FOR CONSTRUCTION OF THE DAIRY DORMITORY AT THE MONTANA STATE PRISON AS